

KANSAS FARM MANAGEMENT ASSOCIATION

# Farmers Guide to QuickBooks

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## Using QuickBooks Desktop 2017 Pro for Farm & Ranch Accounting

Basic Edition

**Mark Dikeman**  
Associate Director  
Kansas Farm Management Association

**Robin Reid**  
Extension Associate  
Department of Agricultural Economics  
Kansas State University

**Karaline Mayer**  
Agriculture & Natural Resources Agent  
Wabaunsee County Extension

**Shelli Dikeman**  
Assistant Director  
K-MAR-105 Association





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# 1 INTRODUCTION

## 1.1 ABOUT THIS MANUAL

This manual is designed to be an introduction to using QuickBooks Pro for farm & ranch accounting. It is written to provide you with basic information that you need to know to get started with bookkeeping in QuickBooks, using a step-by-step approach. Because farm & ranch accounting is slightly different than accounting for other small businesses, this manual contains examples and suggestions of how to handle certain types of transactions.

The manual is written with the assumption that you have QuickBooks Pro installed and are able to start the program. If you need help with installation and starting the program, look at one of the many good general QuickBooks manuals available.

Throughout this manual, a reference to QuickBooks is actually a reference to QuickBooks Desktop Pro. The 2017 version was used in preparing this manual so the manual text and any included screenshots are from that version. But, don't worry if you don't have this version. For most everything contained in this manual, the same information applies to any desktop version of QuickBooks from the last 4-5 years.

Although there may be some crossover, proceed with caution if using any version of QuickBooks Online. Most of the same tools and features are available in the Online version but the user interface is dramatically different. In addition, the cost of using Online is higher than Desktop. A one-time purchase of Desktop will work for 4-5 years while using QuickBooks Online requires a monthly or annual subscription.

A warning: QuickBooks is not for everyone. You should be:

- Confident in your ability to use a computer
- Willing to commit time to bookkeeping
- Detail oriented

## 1.2 ABOUT QUICKBOOKS

### WHY QUICKBOOKS DESKTOP PRO?

QuickBooks is a powerful and flexible double-entry accounting program that is marketed towards small businesses. In all honesty, it is probably not the best software on the market but it is the most widely used. In fact, QuickBooks dominates the small business accounting market.

Some of the advantages of using QuickBooks:

- It is flexible, allowing you to accomplish nearly everything you want to
- Once you have passed the learning curve, it is relatively easy to use
- Your accountant/tax preparer probably already knows and uses QuickBooks
- The Desktop version can be purchased for about \$200
  - Unless you want to upgrade every year, a version should be adequate for 3-5 years
- Keyboard shortcuts are available for nearly every task
- QuickBooks does a great job of:
  - Tracking invoices and accounts receivable
  - Tracking bills and accounts payable
  - Calculating non-farm cost of goods sold (COGS)

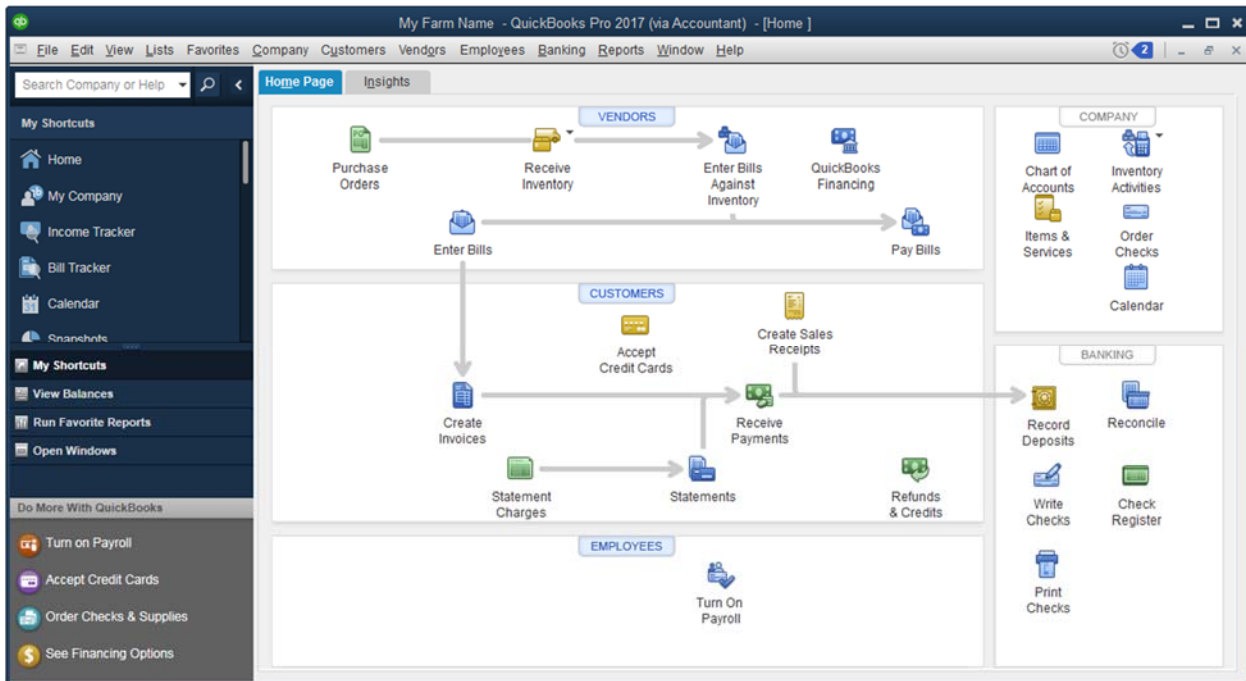
- Payroll – If you pay annually (≈\$300)
- Tracking inventory

Some of the disadvantages of using QuickBooks:

- There is a learning curve
- QuickBooks is not designed for farm accounting
  - It uses the average cost method rather than the First-In, First-Out (FIFO) method to calculate COGS. FIFO is more commonly used in a farming operation with resale livestock. Several methods can be used to force the FIFO method to be used
  - It does not handle both quantity and weight
- If you only use QuickBooks as a check register where you record income and expense after-the-fact and don't use features like invoices, billing, class tracking, or inventory, QuickBooks is much more than you need and is relatively expensive
- The built-in flexibility of QuickBooks can lead to unintended consequences if you are not careful about what you do
- Intuit (the maker of QuickBooks) has difficulty listening to their customers. They tend to decide what customers want and force them to change/update rather than listen to their customers.
- QuickBooks CANNOT create a market value balance sheet!! Attempting to force it to do so can have potentially serious tax consequences!

### THE HOME SCREEN

The QuickBooks Home screen is a roadmap for nearly all activities. It is important to follow the flow chart on the Home page as much as possible. Skipping steps can have unintended tax consequences or could cause problems with accounts payable (A/P) or accounts receivable (A/R). To get to the Home screen, select *Company>Home Page*.



## THE CHART OF ACCOUNTS

The chart of accounts is the foundation of any accounting system and is especially important in QuickBooks. It is a list of asset, liability, and equity accounts (and their balances) as well as a list of income and expense accounts.

To open the chart of accounts, click on the Chart of Accounts icon on the Home screen or use the CTRL+A shortcut key.

If you download a backup KFMA company file or import the KFMA chart of accounts, the basic structure of your chart of accounts is already set. You will need to add bank accounts (checking, savings, CDs) and liability accounts (credit cards, operating, equipment, breeding livestock, or real estate loans).

The KFMA chart of accounts contains nearly every potential income or expense account a farm might need. However many of these income or expense accounts are inactive by default. Some may be inactive because they are not needed by an “average” farm. Accounts like milk sales, feeder pig sales, or breeding ewe purchases are not used frequently, so they are inactive.

Other accounts are inactive because they add a layer of detail that may not be needed for someone who is new to computer bookkeeping. For example, the KFMA chart of accounts includes an expense account for *Repairs, Tools, and Supplies*. This expense account also includes sub-accounts for *Crop Machinery Repairs*, *Livestock Machinery Repairs*, and *Repairs on Permanent Improvements*. For most, the *Repairs, Tools, and Supplies* account is adequate. Start with less detail, then if you desire more detail in the future, you can make sub-accounts active.

You can see a list of all income and expense accounts on page 92.

To display inactive accounts, check the box in front of *Include Inactive* at the bottom of the chart of accounts window. You should now have a new column on the left side of the account list. An X in the column indicates the account is marked as inactive. Click in that column to toggle the X on and off.

## ITEMS

Items are used to detail purchase orders, sales receipts, or invoices and link the detail to inventory, income, and expense accounts.

### SERVICE ITEMS

As the name implies, service items are used to detail invoices or sales receipts with services performed. A service item is linked to only one account, usually an income account. Examples of service items would include custom planting, chemical application, or hauling grain for someone else.

### INVENTORY ITEMS

If you couldn't guess from the name, an inventory item is used to track inventory, usually a good that is purchased to resell. QuickBooks links an inventory item to an asset or inventory account, an income account, and a cost of goods sold (COGS) account.

When goods are purchased, the asset or inventory account is used to “hold” the cost of the asset because the cost cannot be deducted as an expense until the good is sold. When the good is sold, two things happen at the same time. First, the sale is recorded in the income account. Second, the

cost of the good is transferred from the asset or inventory account to the COGS account where it is deducted as an expense.

Because QuickBooks uses the average cost method to calculate COGS and farmers typically use the first-in-first-out method, we have to manually move cost from an asset or inventory account to the COGS account or we have to manually adjust the resale cost that QuickBooks calculates.

Along with items purchased for resale, inventory items can be used to track inventory of raised grain and market livestock.

#### **NON-INVENTORY PART**

A non-inventory part is typically used from something that is purchased and passed on to a customer and is usually linked to an expense account. For our purposes, non-inventory part items are the same as a service item. A non-inventory part usually links an item to an expense account.

#### **CLASSES**

Classes allow you to categorize or classify income and expenses to an enterprise or to a cost center. Using classes gives you an added layer of categorization, independent of the income or expense account. As an example, with classes you are able to allocate seed expense to either corn or soybeans or a repair bill to a particular piece of equipment.

Using classes is optional and is only needed if you are interested in more information that you can get from the your tax return.

#### **CUSTOMERS**

Customers are those individuals or companies that buy your products.

#### **VENDORS**

Vendors are those individuals or companies that sell you goods or services.

#### **KEYBOARD SHORTCUTS**

Some people find that the mouse gets in the way of getting work done. If you started using computers with DOS (or maybe earlier), you may feel this way. Thankfully, Intuit has built in a multitude of keyboard shortcuts into QuickBooks. Below are a few shortcuts although many more are available.

Alt+PgUp/PgDn	Cycle through open windows
Esc	Close active window
Ctrl + Del	Delete the selected line in a transaction
Ctrl + Ins	Insert a blank detail line in a transaction
Ctrl + N	Create a new transaction or list item
Ctrl + D	Delete the current transaction or list item
Ctrl + E	Edit an item in an item list or in a register
Ctrl + W	Write Checks
Ctrl + Q	Quick Report
Ctrl + J	Customer Center
Ctrl + A	Chart of Accounts
Ctrl + I	Create Invoices
Ctrl + R	Use Register
Ctrl + F	Find



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+	Increase a number in a form, such as a check number or invoice number
-	Decrease a number in a form, such as a check number or invoice number
Alt + A	Save transaction
Alt + S	Save transaction & open a new transaction
Alt +N	Go to next transaction
Alt +P	Go to the previous transaction
Tab	Go to the next field
Shift + Tab	Go to the prior field
Up arrow (↑)	Go to the previous line in a form
Down arrow (↓)	Go to the next line in a form
Page Up	Move to the previous page in a form area or report
Page Down	Move to the next page in a form area or report

## 2 WORKING WITH COMPANY FILES

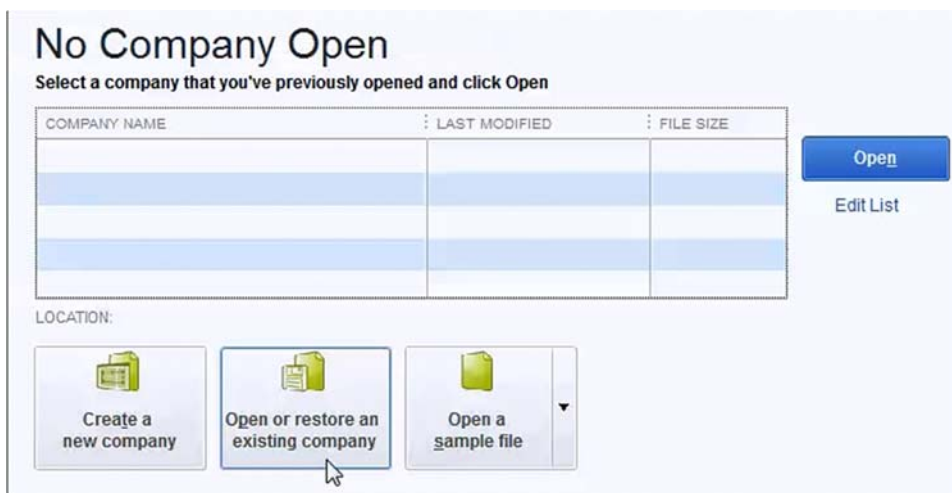
### 2.1 ABOUT COMPANY FILES

A company file is where your company records are stored within QuickBooks. Each company file can contain multiple bank accounts, asset accounts, or loan accounts so you do not need a separate company file for each bank account. It is not a problem to track a business checking account as well as a personal checking account in the same QuickBooks company file, assuming that you operate as a sole proprietor.

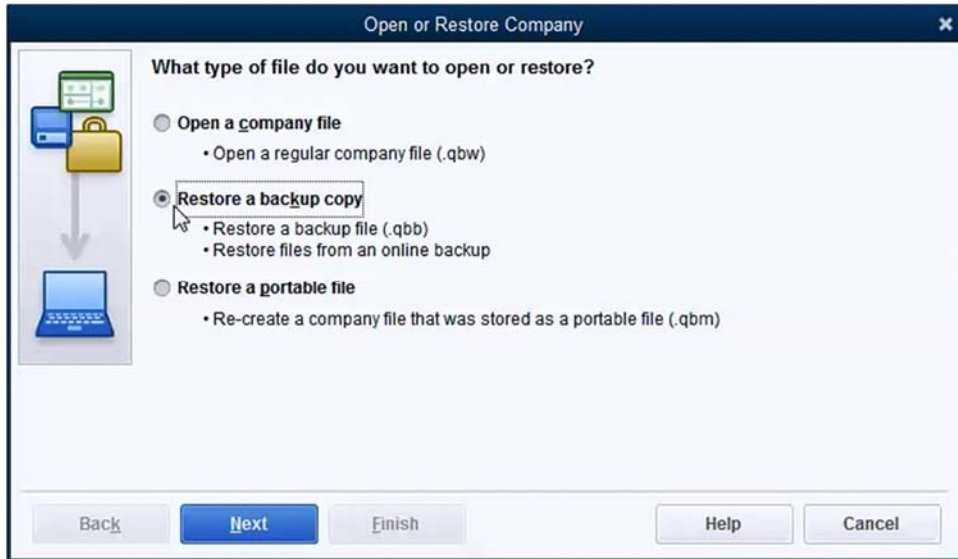
You should NOT track a bank account for an entity (such as a corporation or partnership) in the same company file that you use to track your personal bank accounts. A general rule of thumb is that you will need one company file for each tax return filed (1040, 1065, 1120S, 1120, or 1041).

### 2.2 RESTORE A BACKUP COMPANY FILE

1. In the *No Company Open* window, click *Open or restore an existing company* or select *File>Open or Restore Company*.



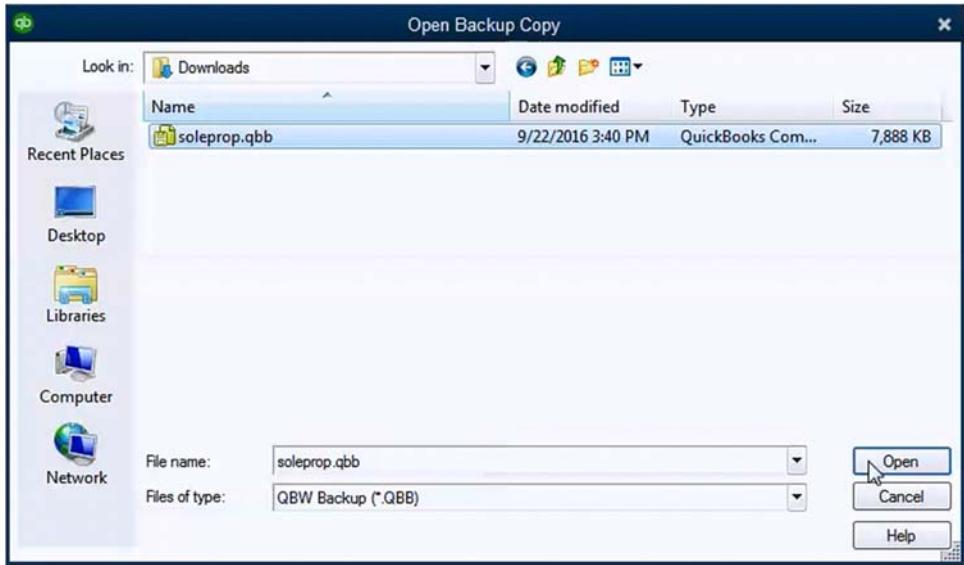
2. Select *Restore a backup copy* and click *Next*.



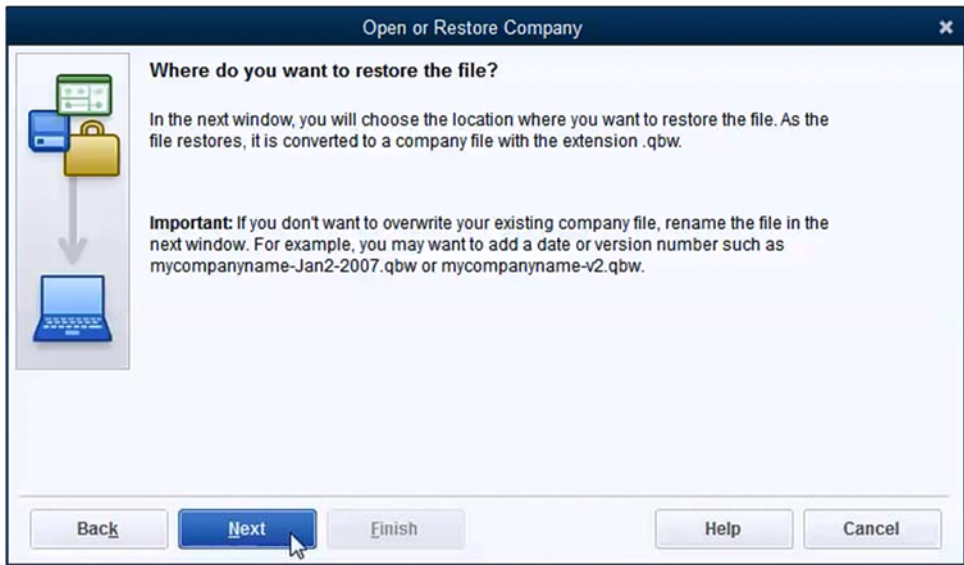
3. Select *Local backup* and click *Next*.



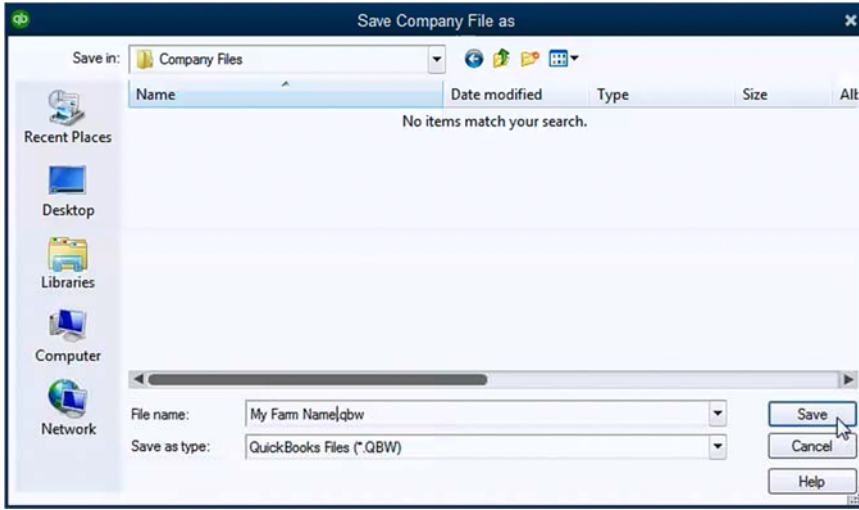
4. Navigate to the backup file, select it and click *Open*.



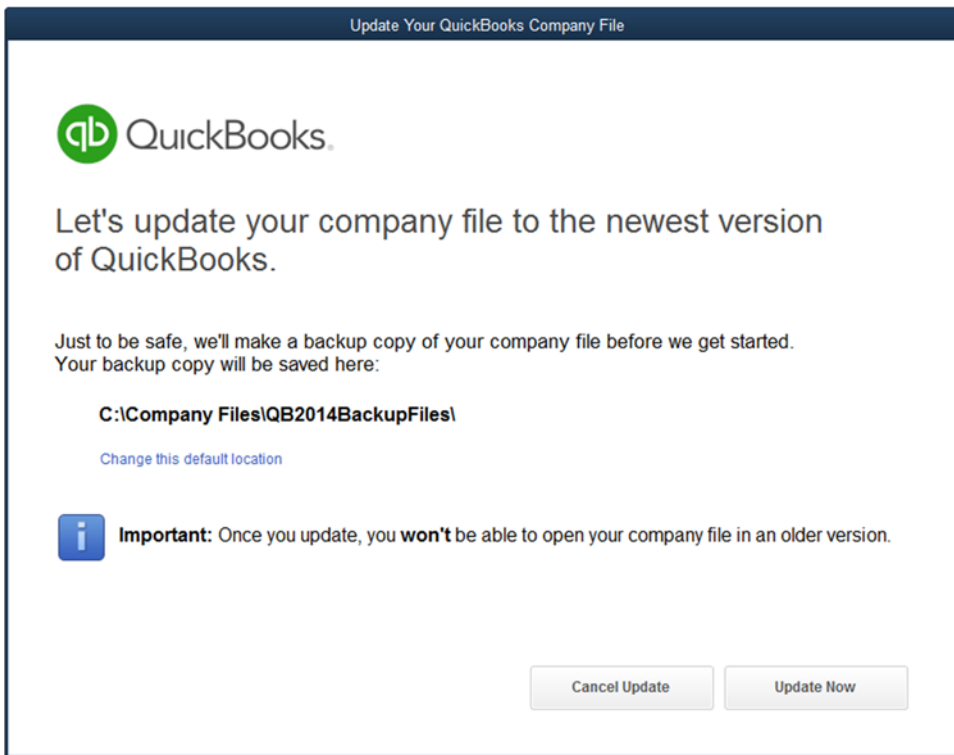
5. Click *Next*.



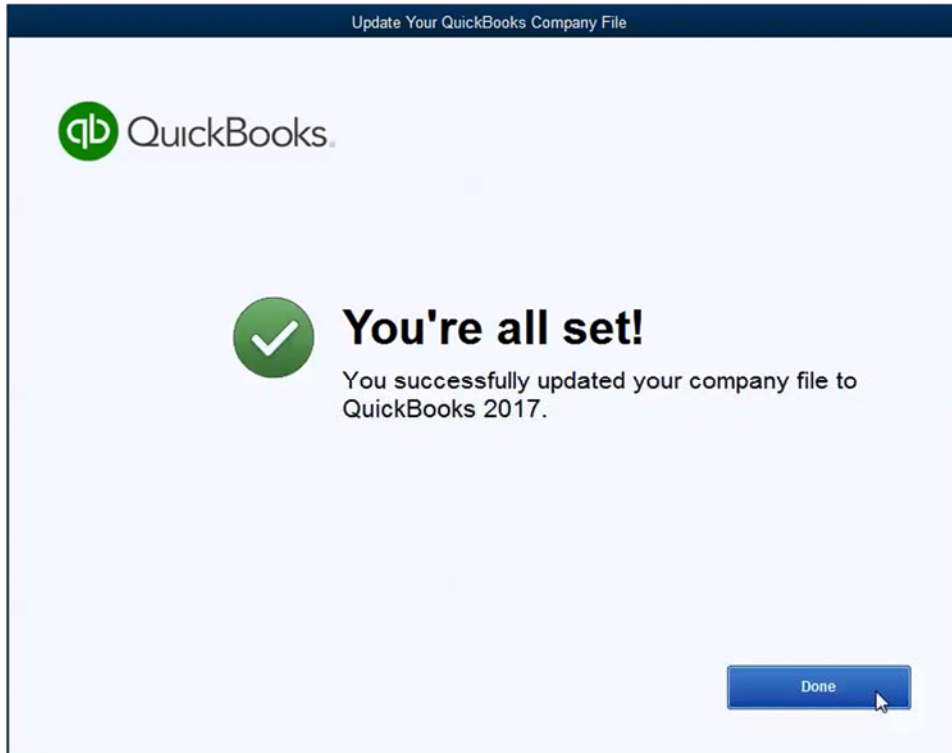
6. Navigate to a location to save the company file. Make sure to personalize the name of the QBW file. The location that QuickBooks defaults to is difficult to find later if you need to. The default is C:\users\public\public documents\intuit\quickbooks\company files\



7. Depending on your version of QuickBooks, you may be asked to update the company file. Click *Update Now*.



8. Once the update is finished click *Done*.



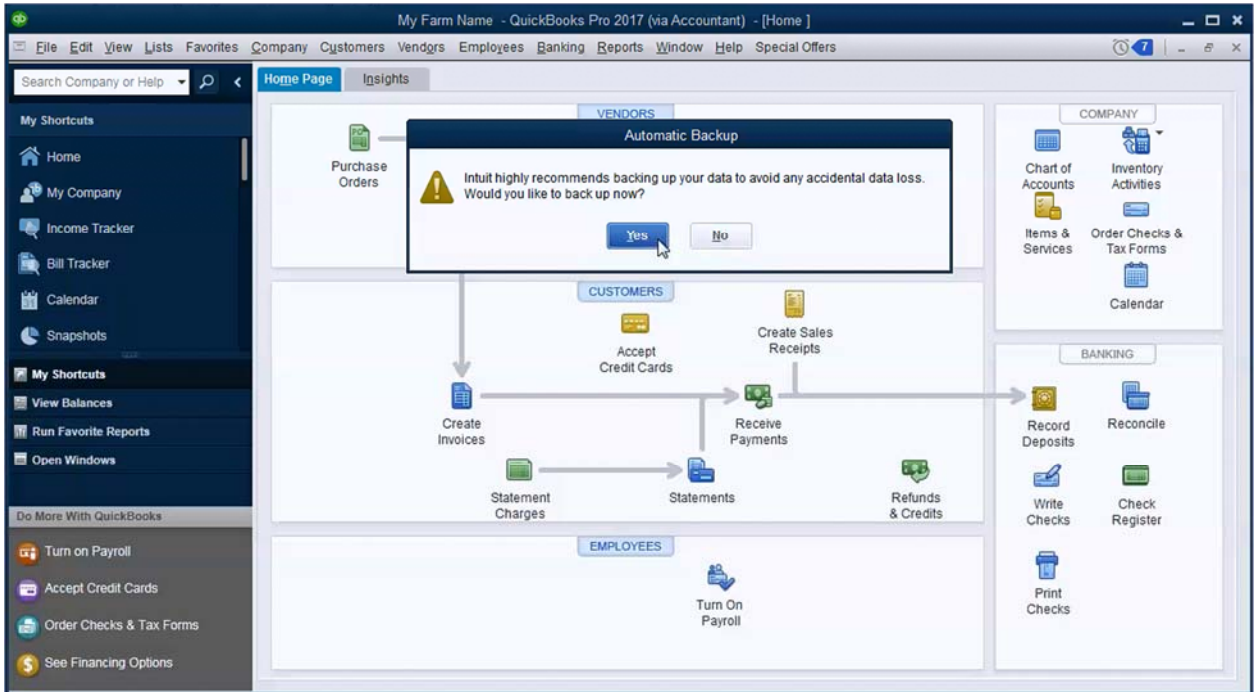
### 2.3 CLOSE A COMPANY FILE

Whenever possible, close the company file before you exit QuickBooks.

1. Open the *File* menu and select *Close Company*.

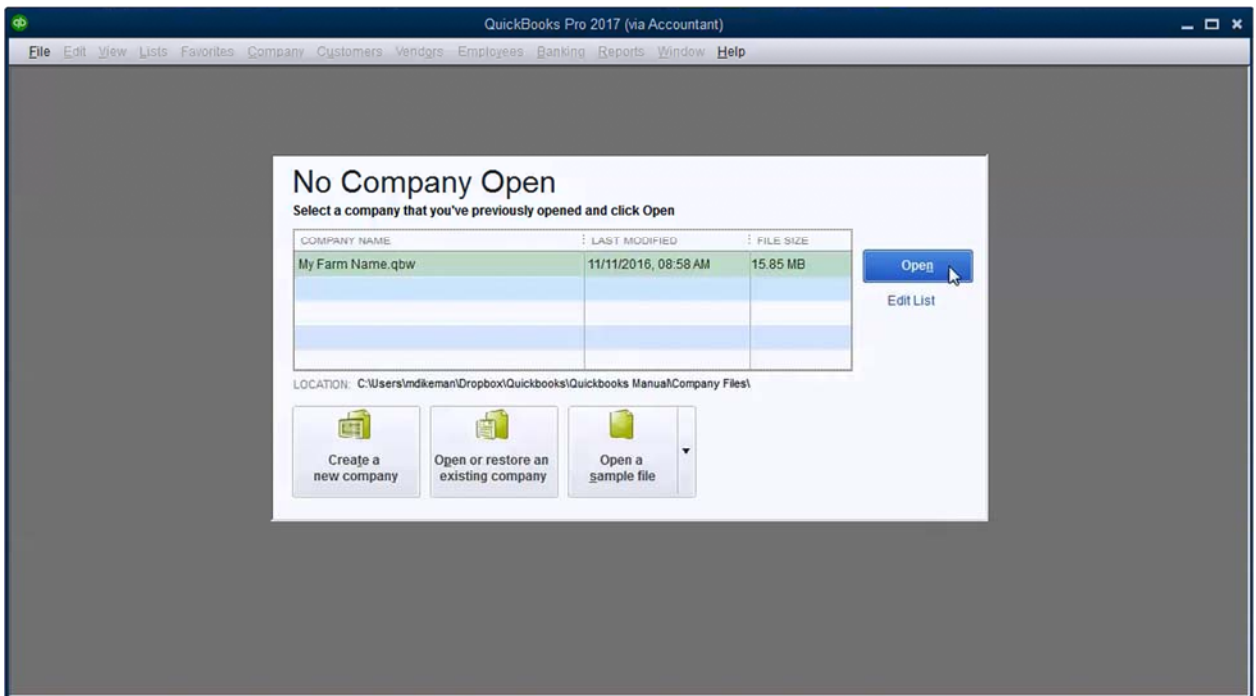


- Occasionally, when closing, QuickBooks will ask if you want to save a backup. Click Yes to save a backup. See *Backup a Company File* on page 13.

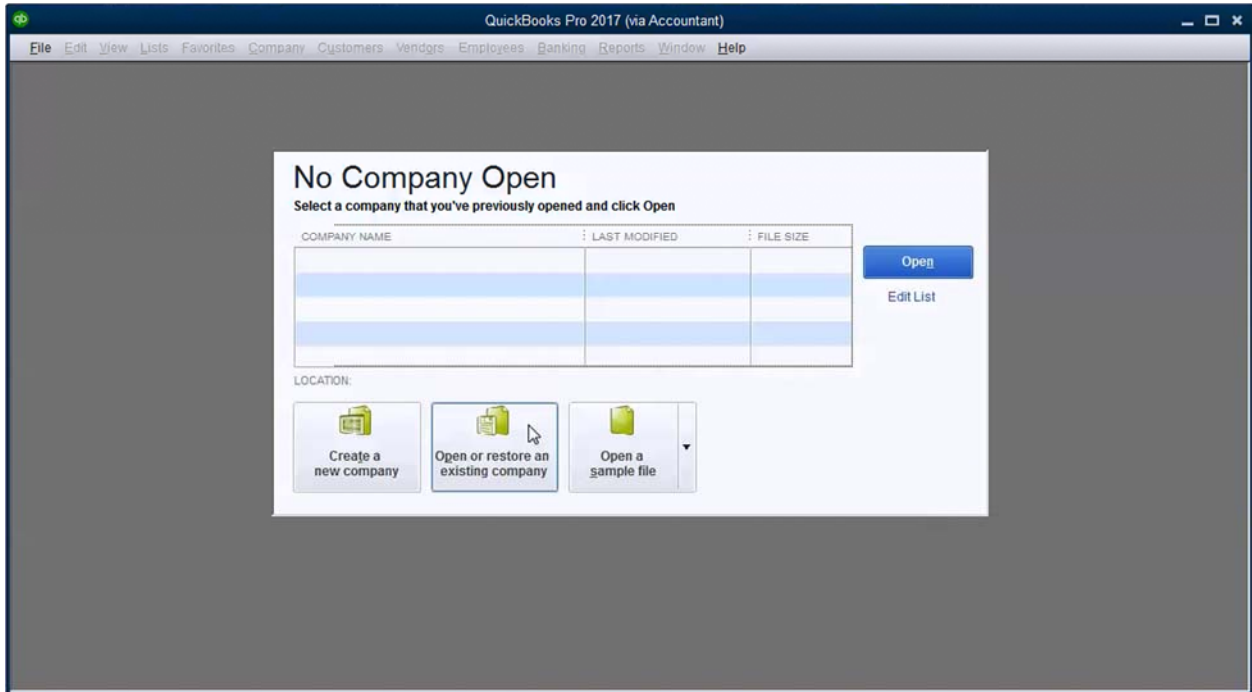


## 2.4 OPEN A COMPANY FILE

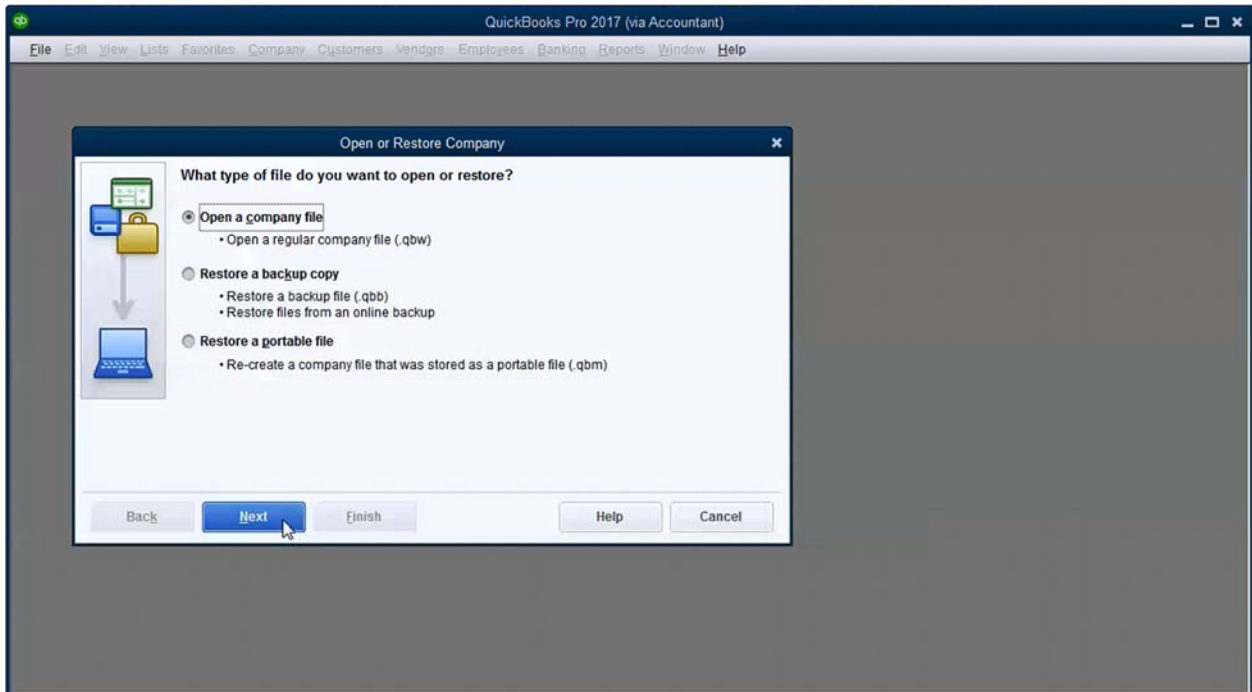
- If the company file you want to open is in the previously opened list, select that file and click *Open*.



- If the company file is not in the previously opened list, click *Open or restore an existing company*.

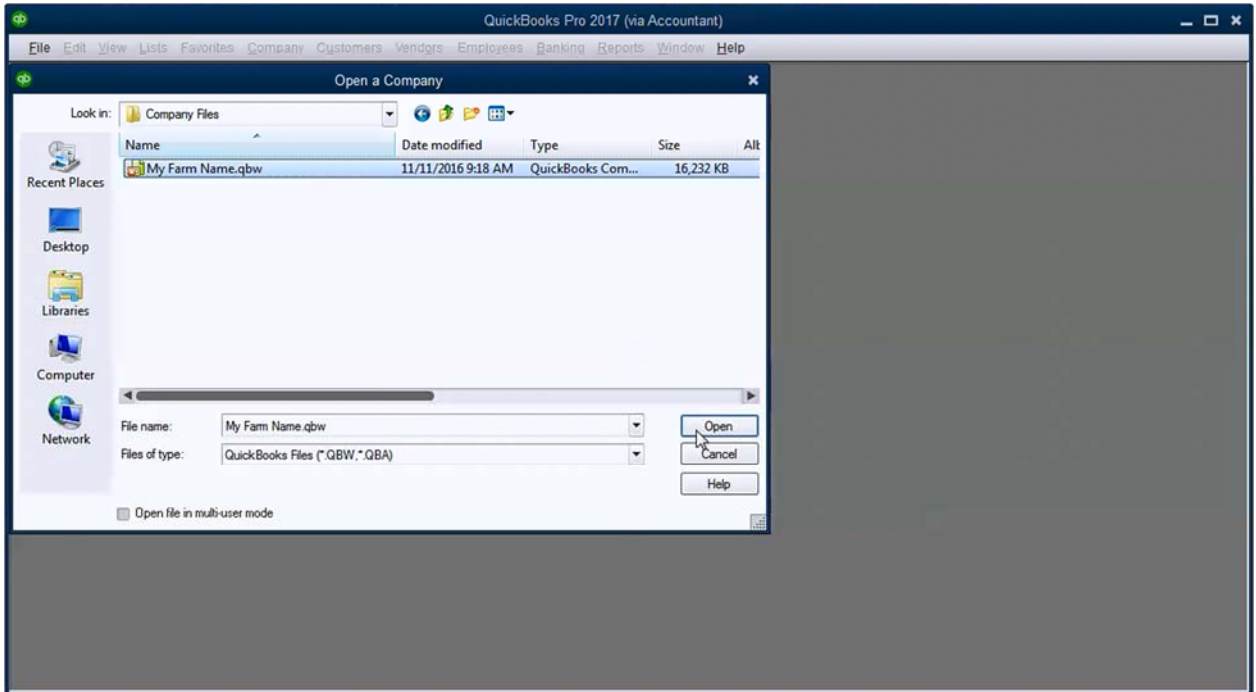


- Select *Open a company file* and click *Next*.





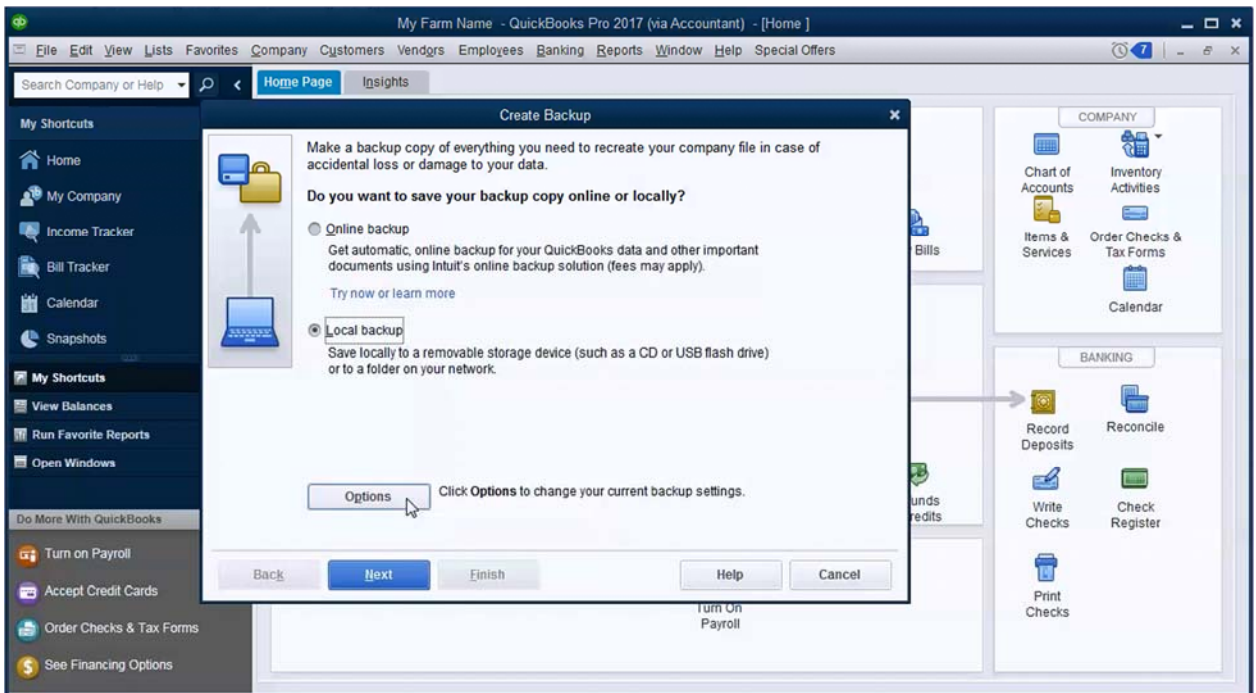
- Browse to the company file. Select it and click *Open*. Company files have a file extension of QBW. Backup company files have a file extension of QBB.



## 2.5 BACKUP A COMPANY FILE

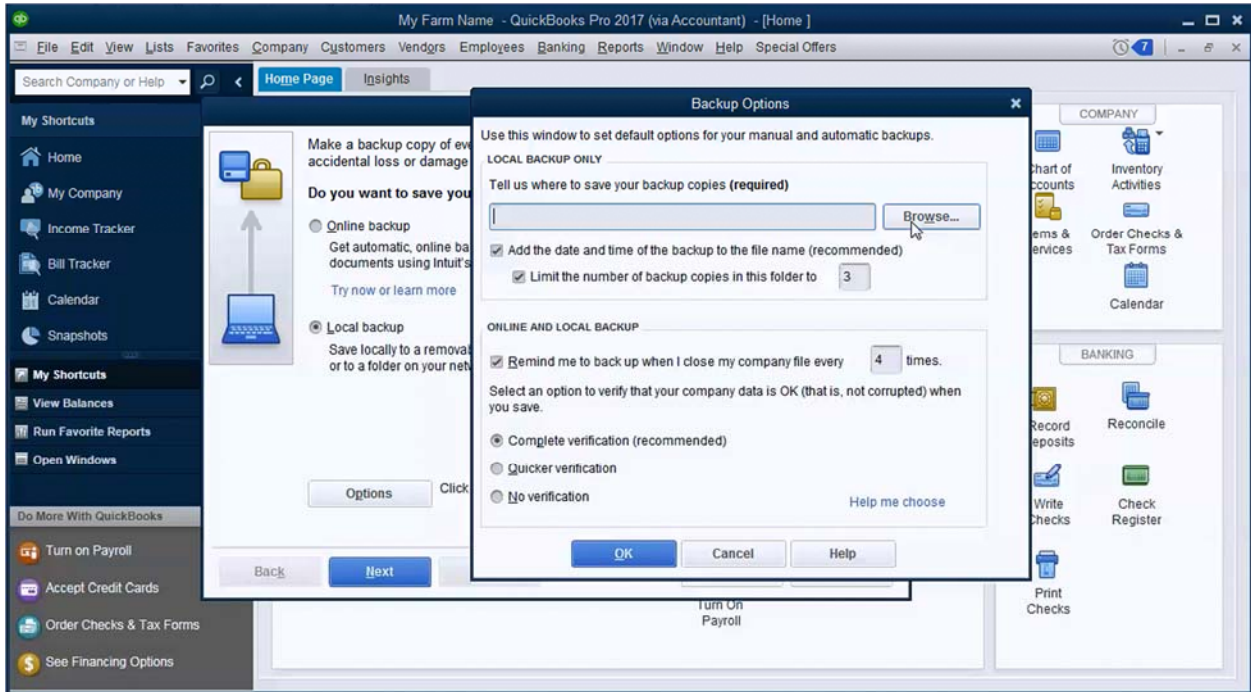
Note: Two USB drives, rotated weekly, are an inexpensive way to always keep a **recent** backup copy **off-site**.

- When the *Create Backup* window opens, select *Local backup* and click the *Options* button.

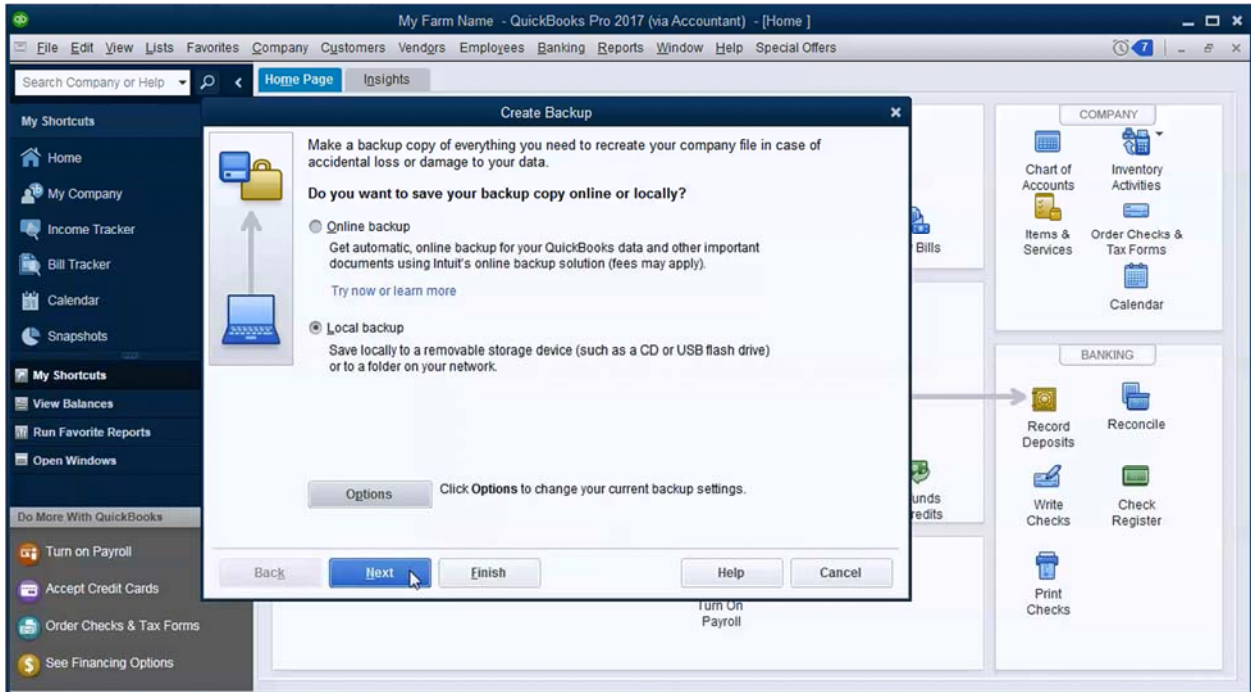


- Here you can set Backup Options. It is a good idea to check mark both “*Add the date and time....*” and “*Remind me to back up....*” Set reminder to less than 5 times. Navigate to your

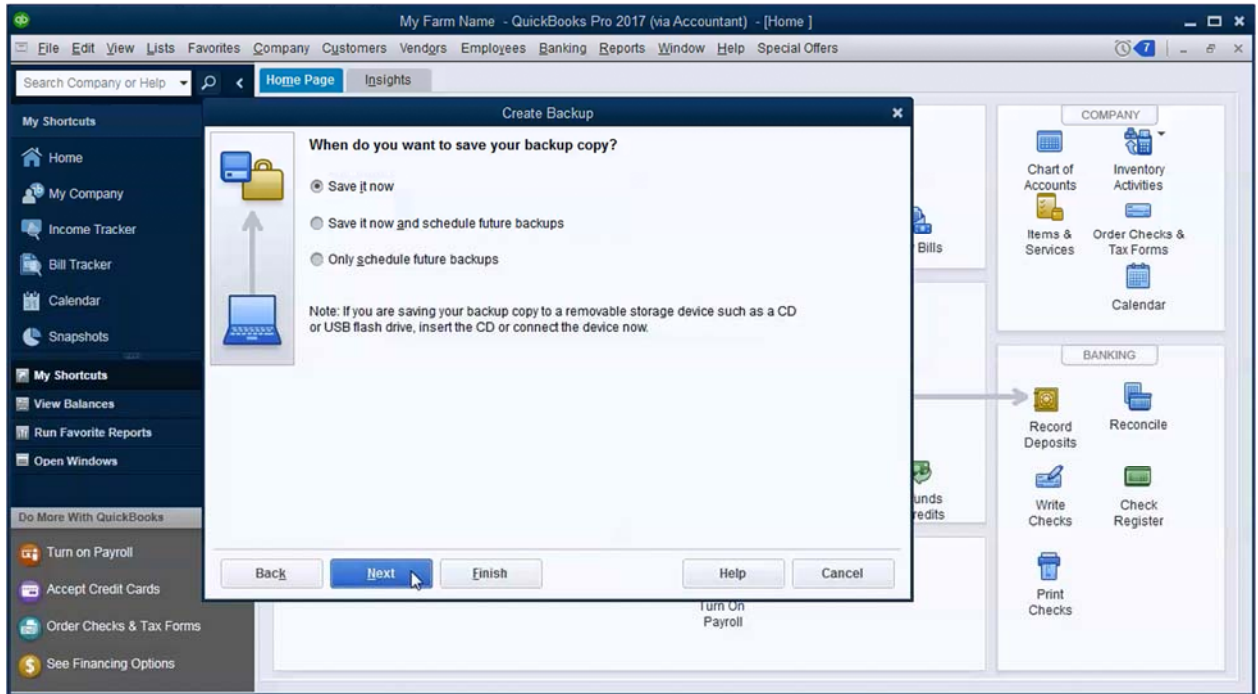
preferred backup location. Click *OK* to close *Browse for Folder*. Click *OK* to close the *Backup Options* window.



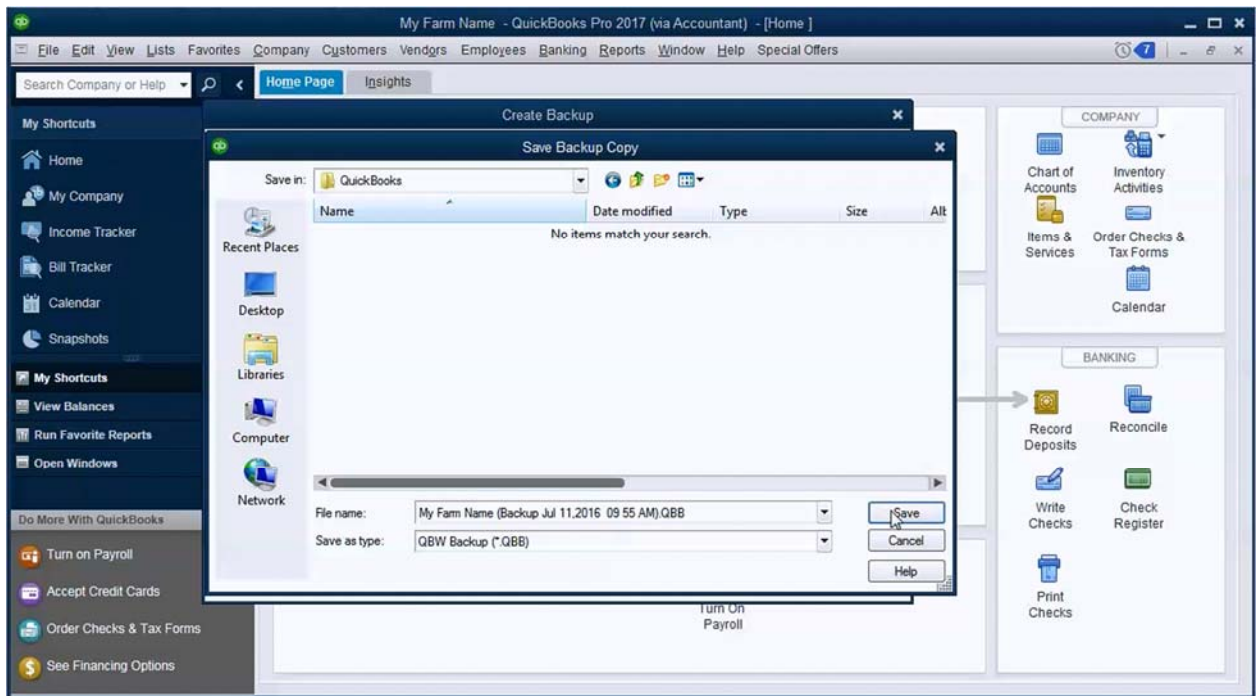
3. Click *Next*.



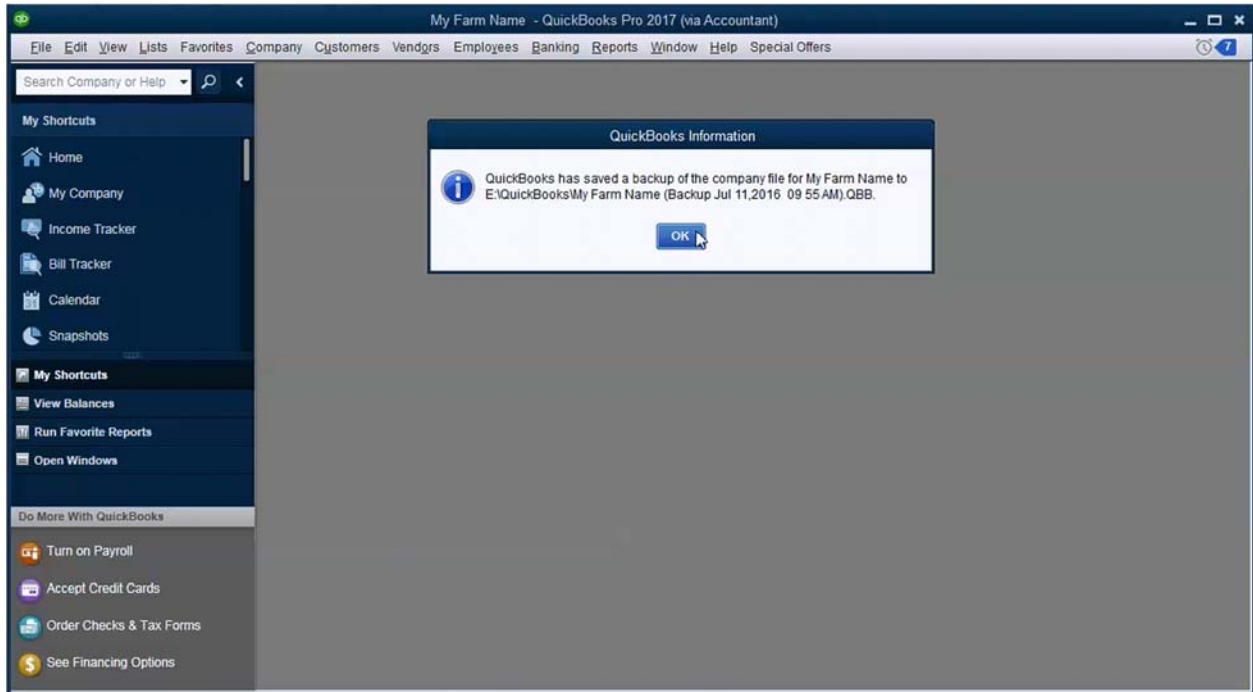
4. Click *Next*.



5. Edit the file name if desired and click *Save*.



6. Click *OK*.



## 3 QUICKBOOKS SETUP

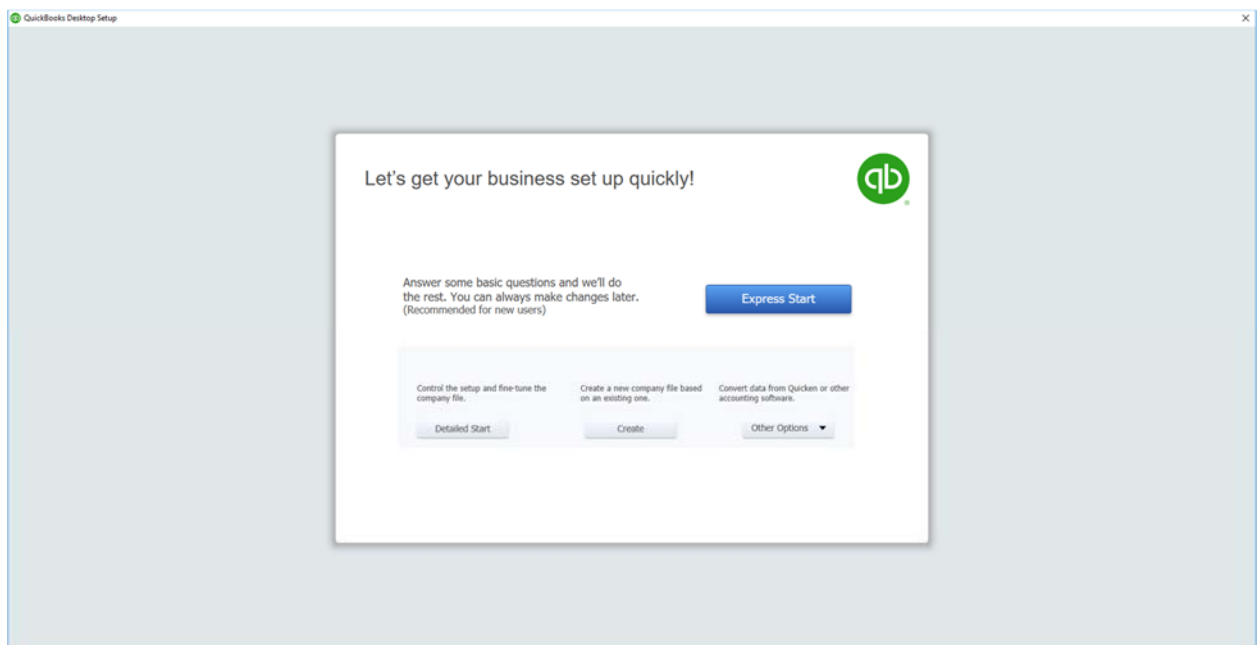
### 3.1 DOWNLOAD AND MODIFY A COMPANY FILE

If you are new to QuickBooks, use this section to get started. If you have been using QuickBooks, skip to *Update an Existing Company File* on page 23.

Setting up a QuickBooks company file can be time consuming. To streamline the process, backups of pre-configured company files are available to download at [www.farmersguidetoqb.com](http://www.farmersguidetoqb.com). You should be able to download one of these files, personalize it and add financial information (bank account, loan, and patronage balances) to begin working quickly. The company files contain the KFMA chart of accounts and preferences are set for a typical farm or ranch. The files were created with QuickBooks 2014 and can be restored to any version from 2014 to 2018.

Five files are available depending on how your farm business is structured. If you are unsure which to select, check with your tax preparer.

1. When you first open a fresh installation of QuickBooks, you may see a QuickBooks Desktop Setup window. Close the window. We will use a different method to get started.



2. Using one of the links below, download and save the appropriate QuickBooks backup file for your farm.

[www.farmersguidetoqb.com/qbsetup/soleprop.qbb](http://www.farmersguidetoqb.com/qbsetup/soleprop.qbb)

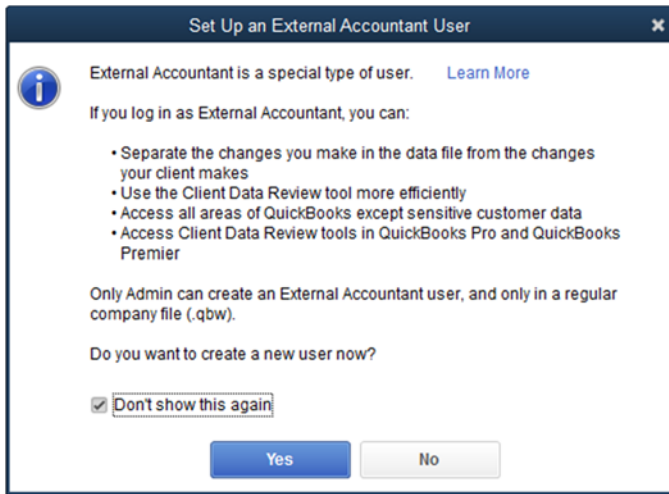
[www.farmersguidetoqb.com/qbsetup/partnership.qbb](http://www.farmersguidetoqb.com/qbsetup/partnership.qbb)

[www.farmersguidetoqb.com/qbsetup/llc.qbb](http://www.farmersguidetoqb.com/qbsetup/llc.qbb)

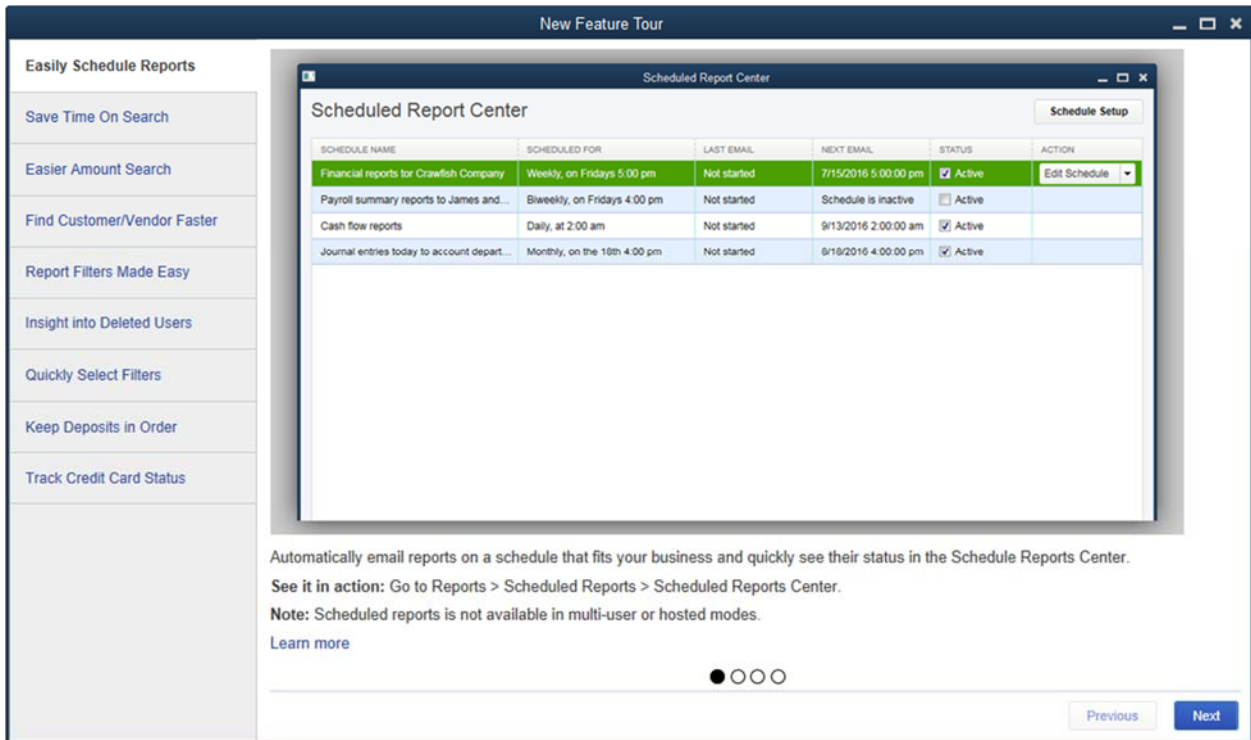
[www.farmersguidetoqb.com/qbsetup/scorp.qbb](http://www.farmersguidetoqb.com/qbsetup/scorp.qbb)

[www.farmersguidetoqb.com/qbsetup/ccorp.qbb](http://www.farmersguidetoqb.com/qbsetup/ccorp.qbb)

- Restore the backup file. See section 2.2 (*Restore a Backup Company File*) on page 6. When you have finished restoring return here and continue with step 4.
- If you see a *Set Up an External Accountant User* window, checkmark *Don't show this again* and click *No*.



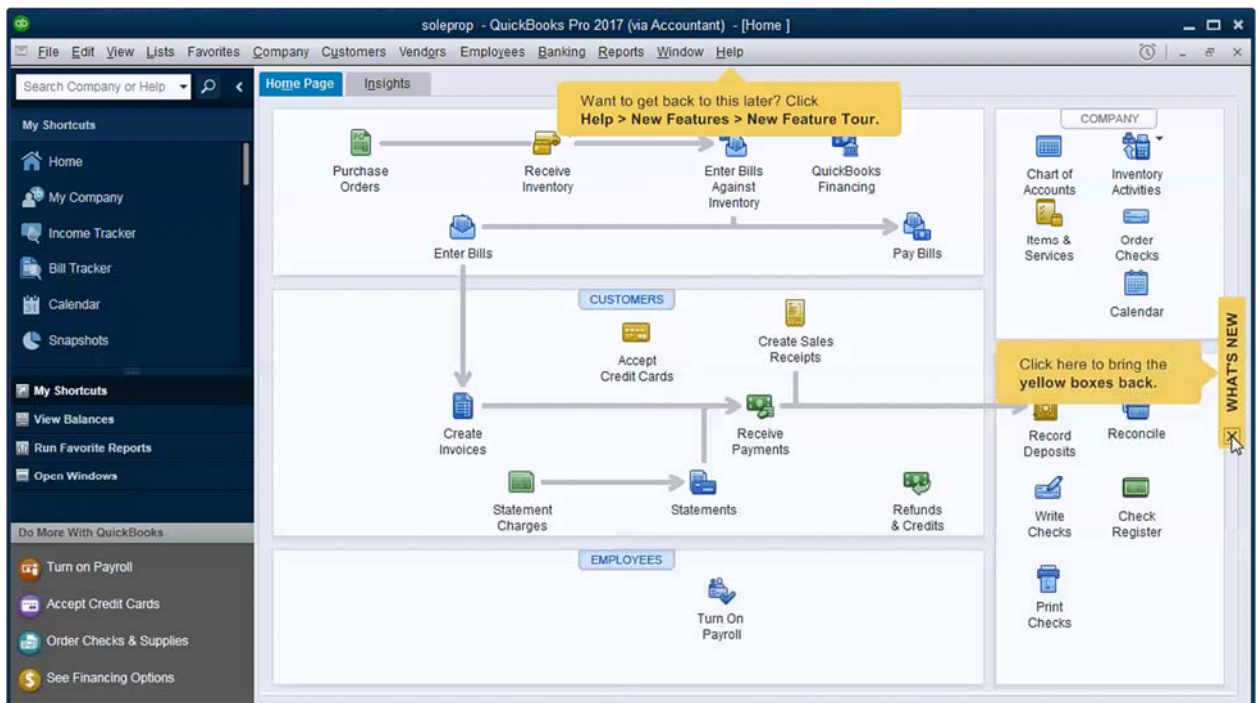
- If you see a *New Features* window, close it



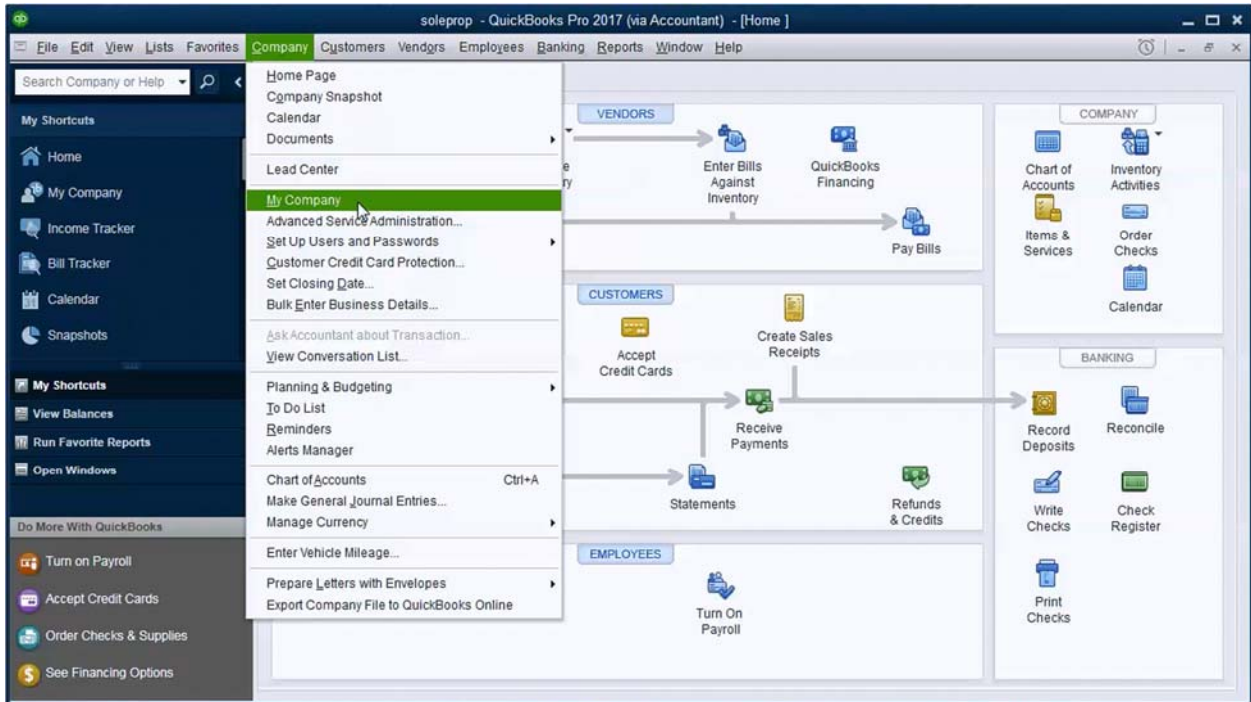
- You may see yellow new feature boxes, which are meant to be helpful hints to get you started with QuickBooks. Click anywhere on the Home screen to dismiss the Welcome box.



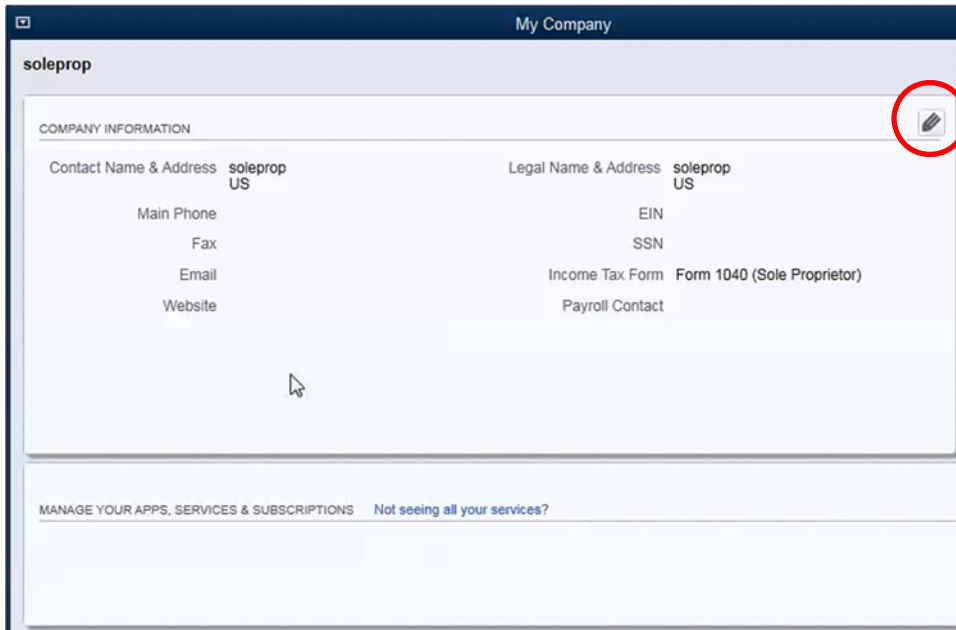
- Click the X under *What's New* to dismiss the yellow boxes.



8. Select the *Company* menu and click on *My Company*.



9. In the *My Company* window, click on the pencil icon to edit the company information.





- Change the *Company Name* to your name or your farm name. Enter your address and phone number in order to display them on invoices and sales receipts.

- Click on *Legal Information* in the menu on the left. Change the Legal Name to your name or your farm name. Enter your address.

- Click on *Company Identification* in the menu on the left. Enter your EIN or SSN if desired. This is not required. Entering an EIN or SSN will trigger QuickBooks Sensitive Data Protection (see page 23).

The screenshot shows the 'Company Information' dialog box with the 'Company Identification' tab selected in the left sidebar. The main area contains the following fields:

- COMPANY IDENTIFICATION**
- Federal Employer Identification No. (EIN is required for Payroll): 48-9876543
- Social Security Number (SSN is used on 1099's if no EIN is entered):

Buttons on the right include OK, Cancel, Help, Ship To Address..., and Attach...

- Click on *Report Information* in the menu on the left. If your *Tax Year* begins with any month other than January, make that change here. You should not need to adjust *Income Tax Form Used*.

The screenshot shows the 'Company Information' dialog box with the 'Report Information' tab selected in the left sidebar. The main area contains the following fields:

- REPORT INFORMATION**
- First month in your:
- Fiscal Year: January
- Tax Year: January
- Income Tax Form Used: Form 1040 (Sole Proprietor)

Buttons on the right include OK, Cancel, Help, Ship To Address..., and Attach...

14. *Payroll Tax Form Information* only needs to be completed if you are subscribing to the QuickBooks payroll service.
15. Click *OK* to close the Company Information window. Close the My Company window.

You are now ready to begin entering details on assets and liabilities.

### 3.2 UPDATE AN EXISTING COMPANY FILE

If you have been using QuickBooks and already have a company file, you can update your company file to include the KFMA chart of accounts, item list, and class list by importing IIF files found at [www.farmersguidetoqb.com](http://www.farmersguidetoqb.com). This method will require some extra effort on your part. Be advised that duplicate accounts may be possible, depending on your current chart of accounts. Consult with your KFMA economist or tax preparer.

#### IMPORT IIF FILES

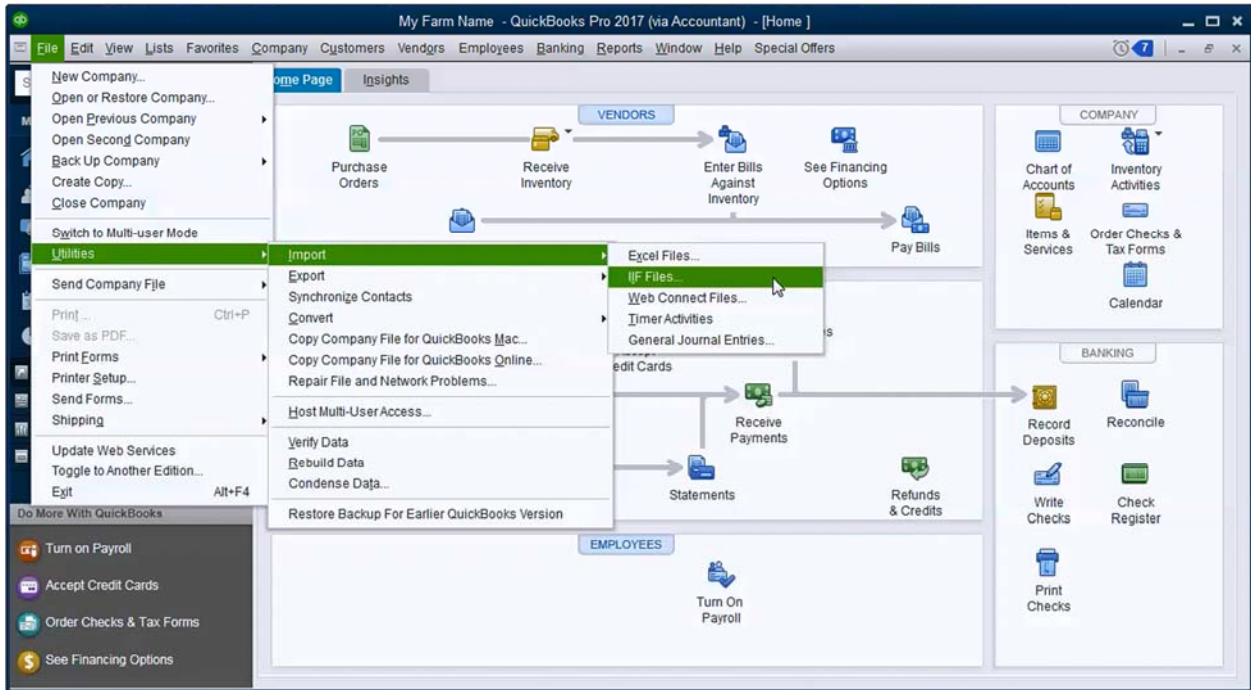
1. Using one of the links below, download and save the IIF files to your computer.

[www.farmersguidetoqb.com/qbsetup/kfmachartofaccounts.iif](http://www.farmersguidetoqb.com/qbsetup/kfmachartofaccounts.iif)

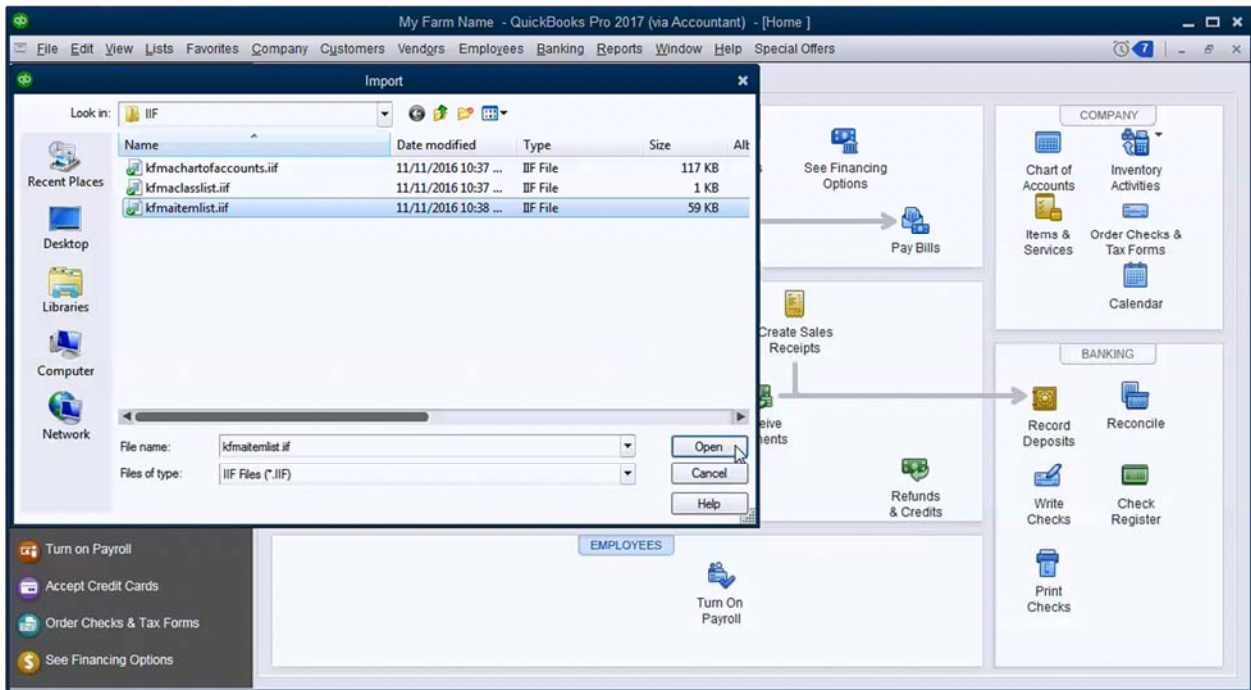
[www.farmersguidetoqb.com/qbsetup/kfmaclassList.iif](http://www.farmersguidetoqb.com/qbsetup/kfmaclassList.iif)

[www.farmersguidetoqb.com/qbsetup/kfmaitemlist.iif](http://www.farmersguidetoqb.com/qbsetup/kfmaitemlist.iif)

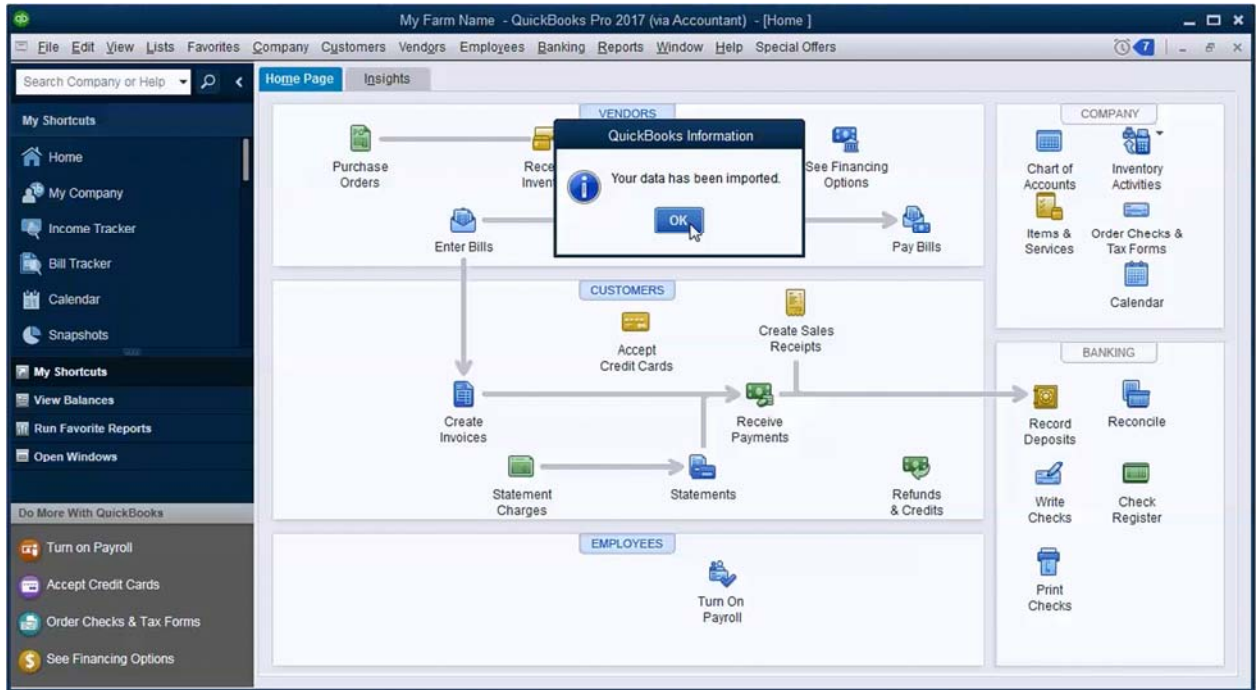
2. In the *File* menu, select *Utilities>Import>IIF Files...*



3. Navigate to the downloaded IIF file. Select it and click *Open*.



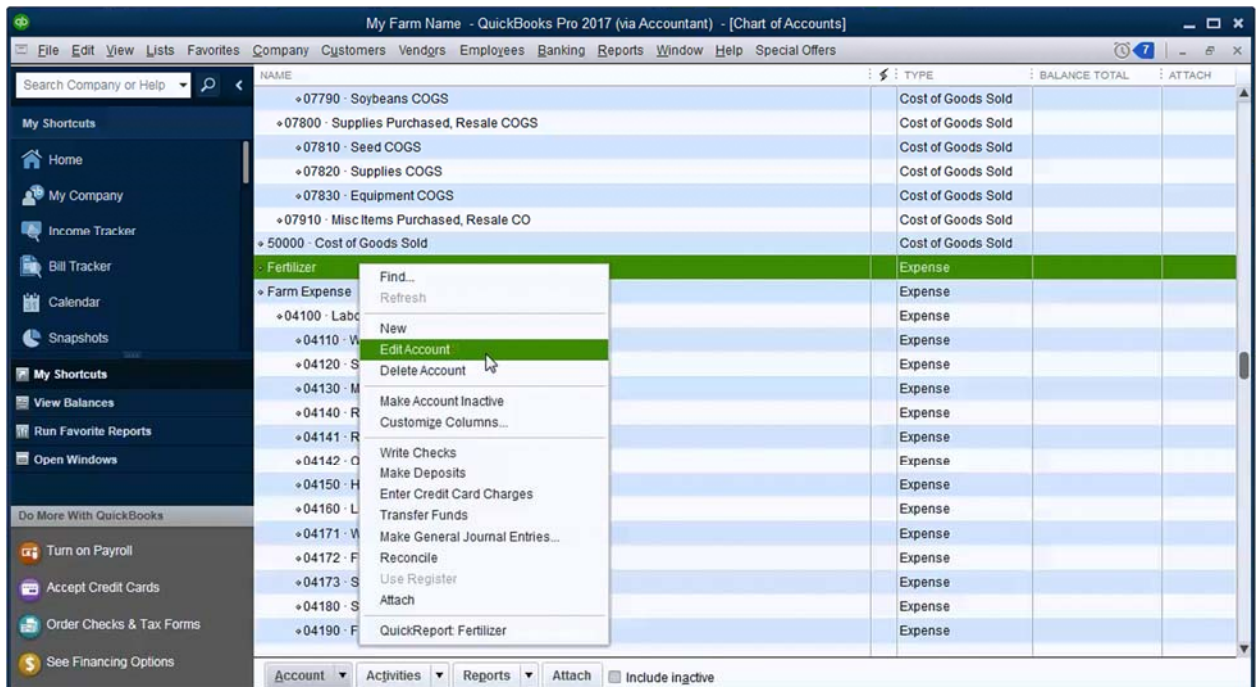
4. Click *OK*.



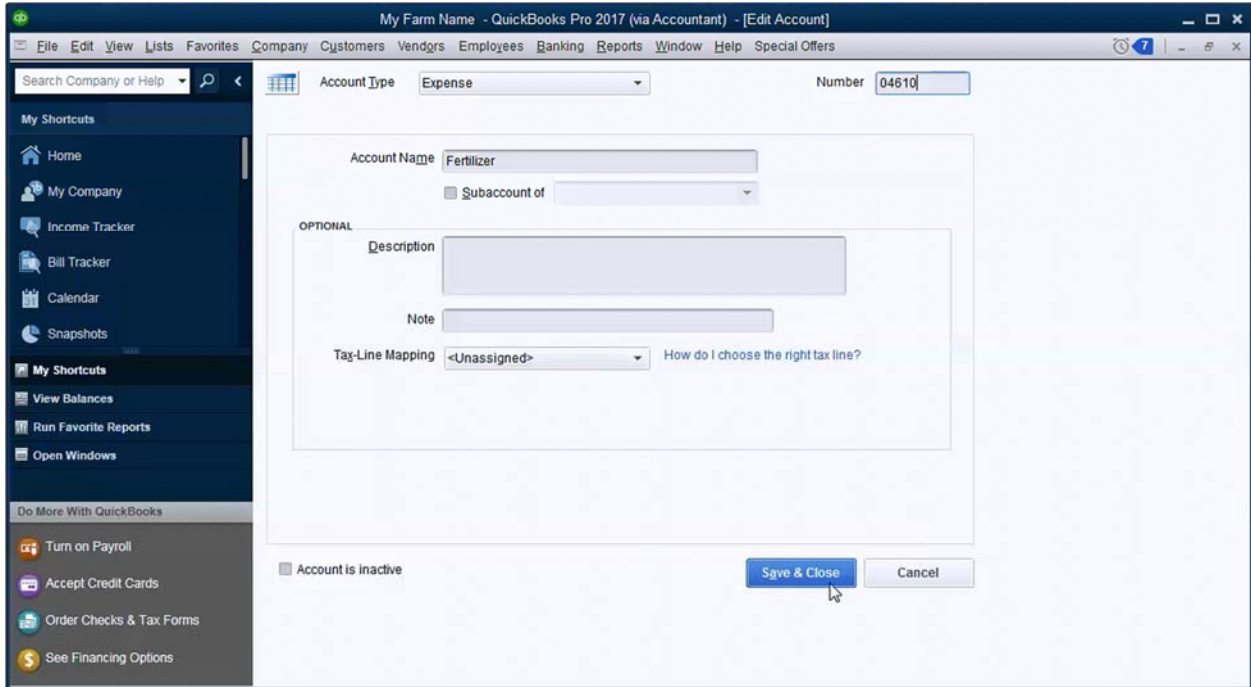
**MERGE EXISTING ACCOUNTS WITH NEW**

After importing the KFMA chart of accounts, you may see duplicate accounts. To move transactions in an existing income or expense account into a KFMA income or expense account, you will need to merge the accounts.

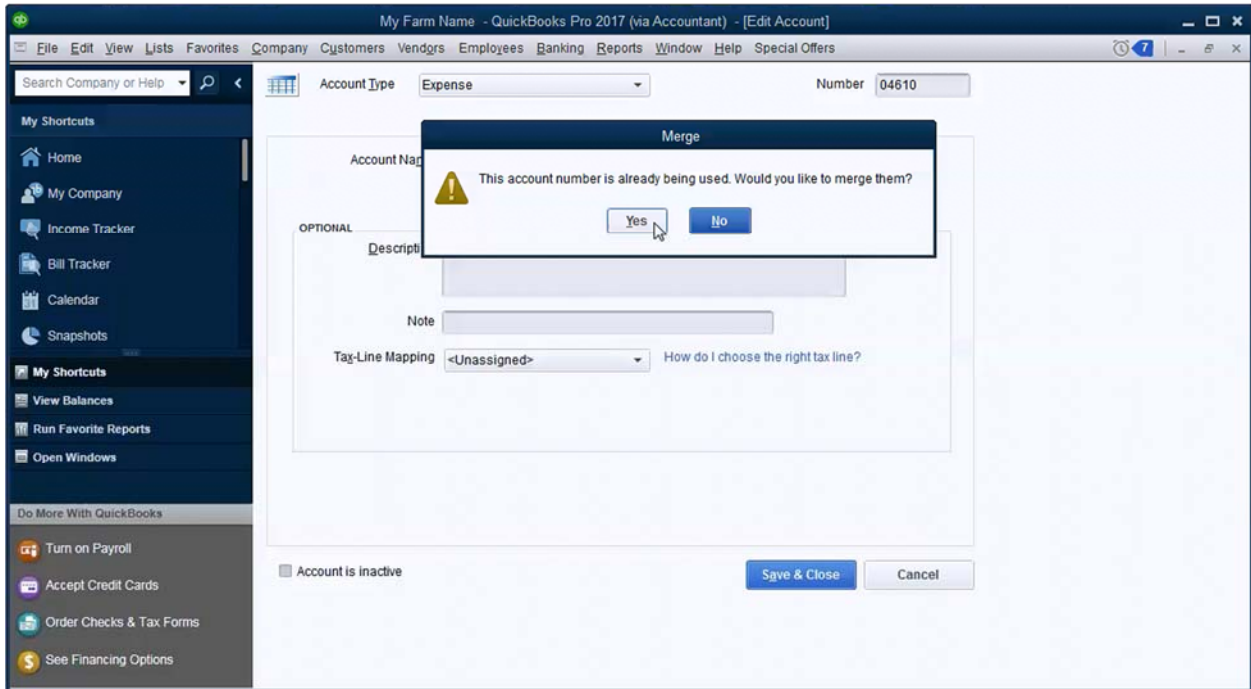
1. In the lists menu, select Chart of Accounts (or use CTRL + A).
2. Right-click on the income or expense account that contains the transactions you wish to move. Click *Edit Account*.



3. Change the account *Number* to match the account that you would like to move the transactions to. Most account numbers in the KFMA chart of accounts contain 5 digits so you may have to add a zero to the end to find an existing account.



4. If you see the *Merge* message box, select *Yes* to merge the accounts. If you do not see this message box, the accounts have not been merged.



### 3.3 QUICKBOOKS SENSITIVE DATA PROTECTION

QuickBooks has begun requiring a complex password for company files where you store a company EIN or tax ID number, vendor ID numbers, employee SSNs, bank account numbers, or credit card numbers. QuickBooks requires that the password be changed every 90 days.

A complex password is one that has both upper and lower case letters, special characters (!@#\$), and numbers, something like “ComP!3x”. The QuickBooks password must be 7 characters long and must include at least one upper case letter and one number.

If you have entered an ID number or bank account in QuickBooks, the next time you open the company file, you will see a Sensitive Data Protection Setup window. Enter a *Password* and select a *Challenge Question* and answer. Click *OK*.

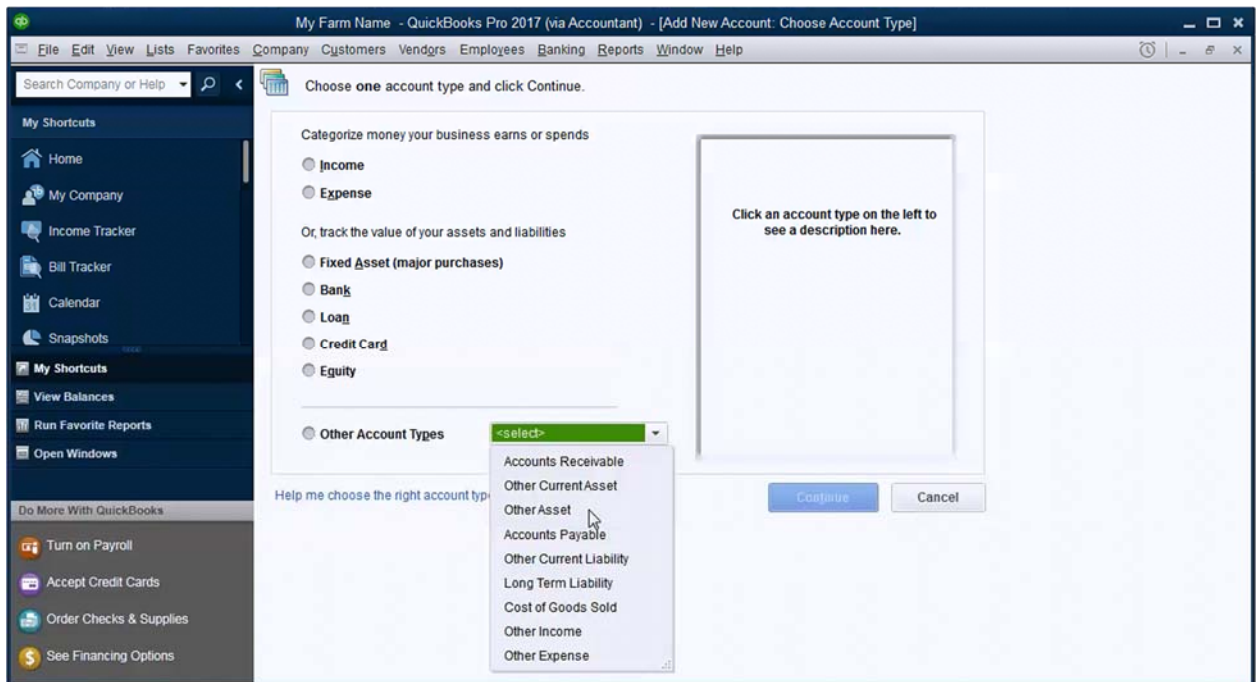
Every time you open the company file, you will be asked to enter your password.





3. Use the table below to determine the appropriate *Account Type* to select. Click *Continue*.

Account	QuickBooks Account Type	Account Number
Farm Checking Account	Bank	5011
Savings/Money Market/CD	Bank	5018
Farm Credit Installment Fund	Bank	5012
Hedge Account	Bank	5017
Coop Stock	Other Asset	1068
Coop Deferred Patronage	Other Asset	1068
Non-Farm Checking Account	Bank	5019
Loan to Others (Due in ≤12 months)	Other Asset	1061
Loans to Shareholders	Other Asset	1066
Loan to Others (Due >12 months)	Other Asset	1067



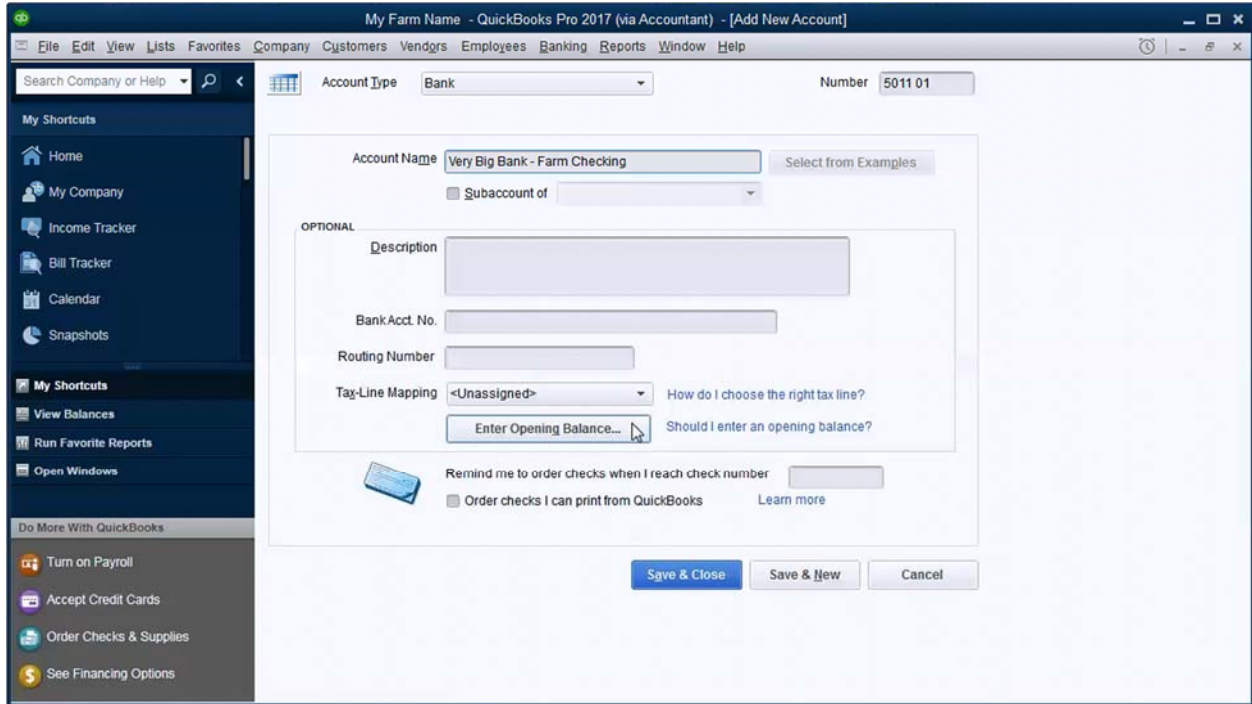
4. Enter a *Number* (optional) and an *Account Name*.

It is helpful to enter both the bank name and a short description of the account as the account name. For example, “Very Big Bank – Farm Checking”.

QuickBooks will not let you use an account number twice, so to distinguish between similar types of accounts, an external code is often used, which is usually two digits long. In QuickBooks, the code for a checking account is separated from the external code by a space. For example, if you have 2 checking accounts, they might be numbered 5011 01 and 5011 02.

Note: If you enter *Bank Acct. No.* or *Routing Number*, QuickBooks Sensitive Data Protections will be activated and you will be required to password protect the data file. For more information, see page 23.

If this account did not exist at the beginning of the year, skip step 5 and **do not** enter an opening balance. If the account had a balance at the beginning of the year, click *Enter Opening Balance*.

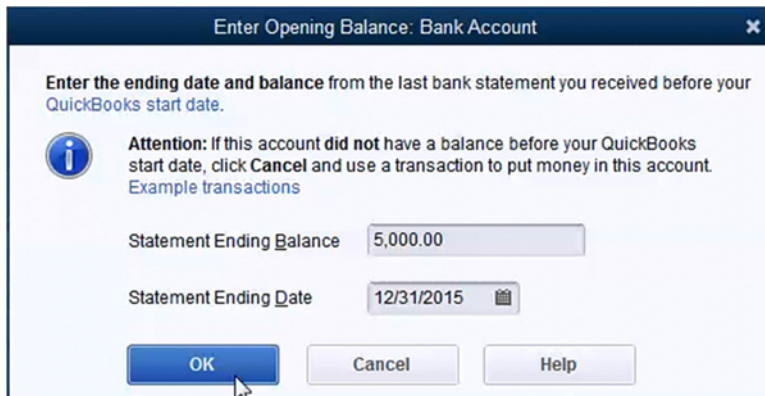


5. QuickBooks asks for a statement ending balance and statement ending date.

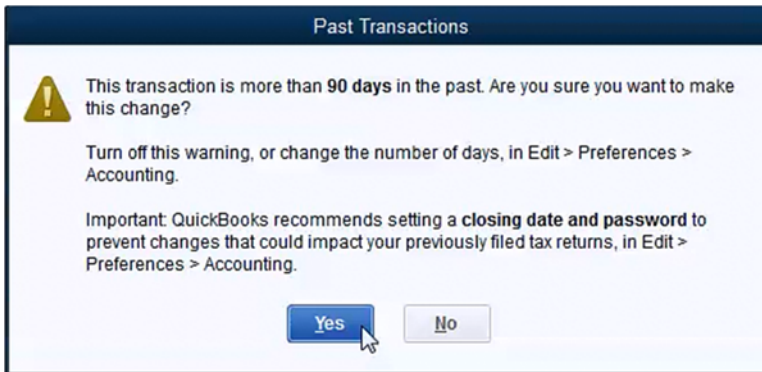
When adding a checking account (either farm or non-farm), a savings or money market account, or a CD, use the bank statement that **ends** in the first month of the tax year. Enter the beginning balance of this statement as the *Statement Ending Balance*. Subtract one day from the beginning date of this statement and enter as *Statement Ending Date*.

For all other asset accounts, enter the balance as of the last day of the last tax year.

Click *OK*.



6. Click *Save & Close* save and to go back to the chart of accounts or *Save & New* to save and add another account.
7. If you entered an opening balance, you may see a window stating that the transaction is 90 days in the past. Click *Yes* to continue.



8. QuickBooks may ask if you would like to setup online services. Online banking services are not covered in this manual. Select *No* to continue without online banking services.



9. If you selected *Save & New* in step 6, repeat steps 3-8 for each checking, savings, money market, or CD.
10. Below is an example of account numbering when there are two different savings accounts.



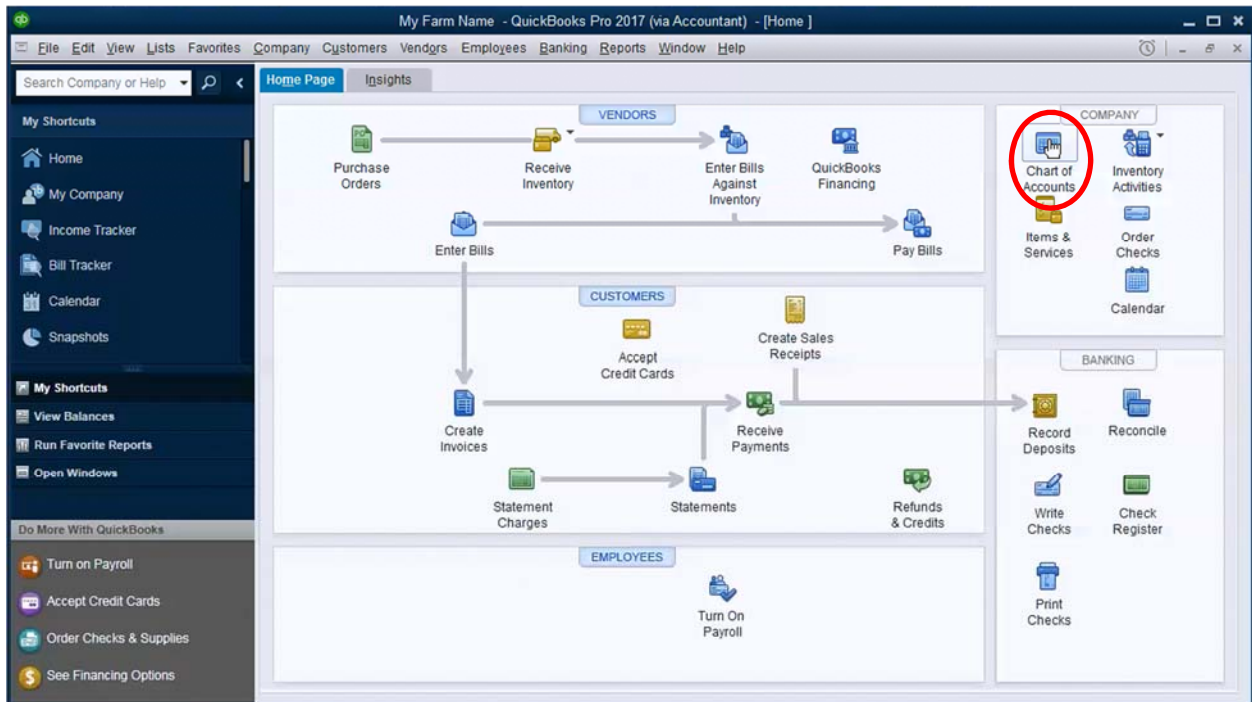
### 3.5 ADD LIABILITY ACCOUNTS

Liability accounts include an operating loan or line of credit, loans from shareholders, intermediate loans (equipment or breeding livestock), non-farm loans (house or car) and real estate loans. Like asset accounts, liability accounts are all added in a similar manner.

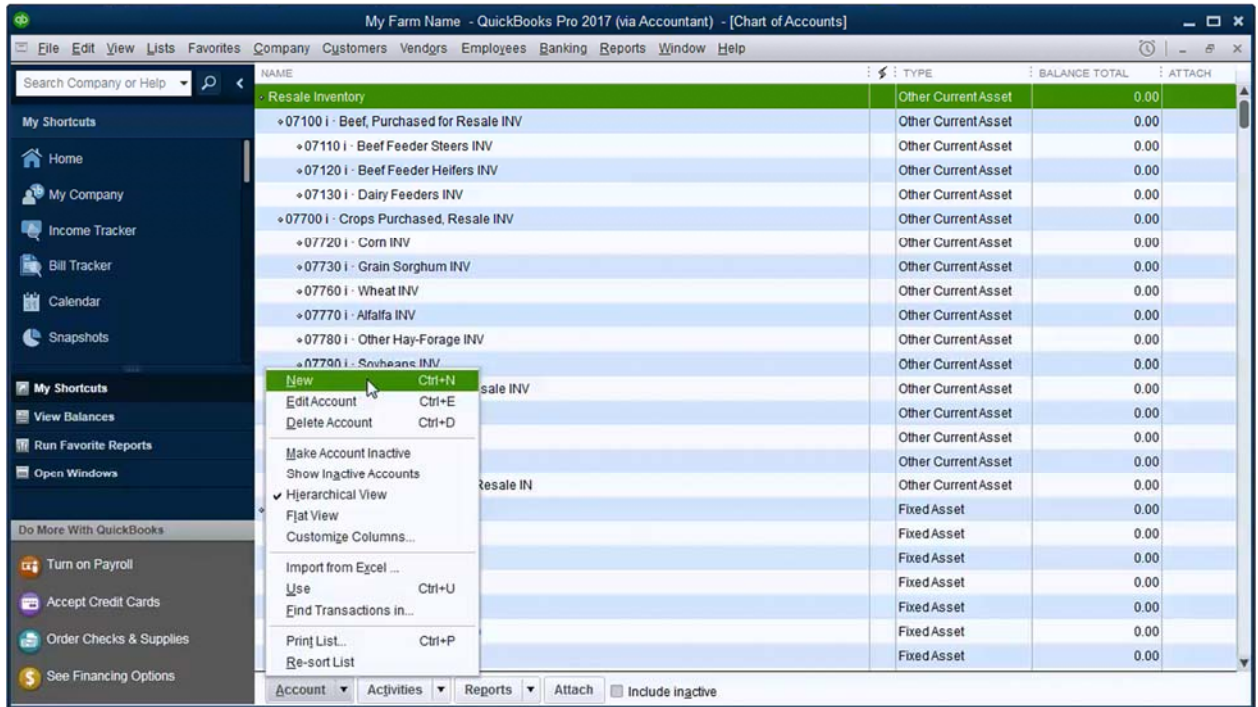
If you plan to use bills and track accounts payable, QuickBooks uses an internal A/P account. You do not need to do anything to add this account.

Note: QuickBooks treats items charged to a credit card as an expense when charged, not when the credit card is paid. Consult with your tax advisor to see if you have been deducting expenses when the credit card is paid in order to maintain consistency.

1. From the Home screen, click the *Chart of Accounts* icon to open the chart of accounts.

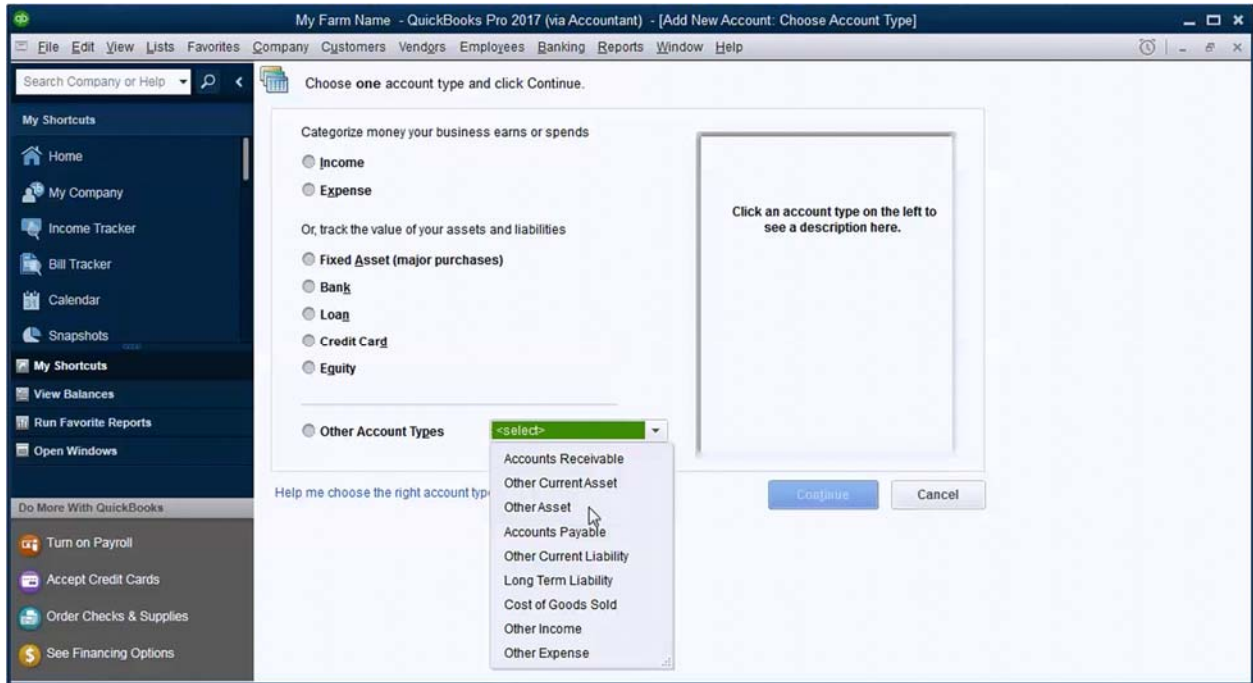


2. In the bottom left corner of the chart of accounts window, Click on *Account* and select *New*.



3. Use the table below to determine the appropriate *Account Type* to select. Click *Continue*.

Account	QuickBooks Account Type	Account Number
Operating Loan or LOC	Other Current Liability	1021
Credit Card	Credit Card	1021
Loan from Partner/Shareholder	Long Term Liability	1026
Equipment or Breeding Livestock Loan	Long Term Liability	1027
Farm Real Estate Loan	Long Term Liability	1028
Non-Farm Loan	Long Term Liability	1101



4. Enter a *Number* (optional) and an *Account Name*.

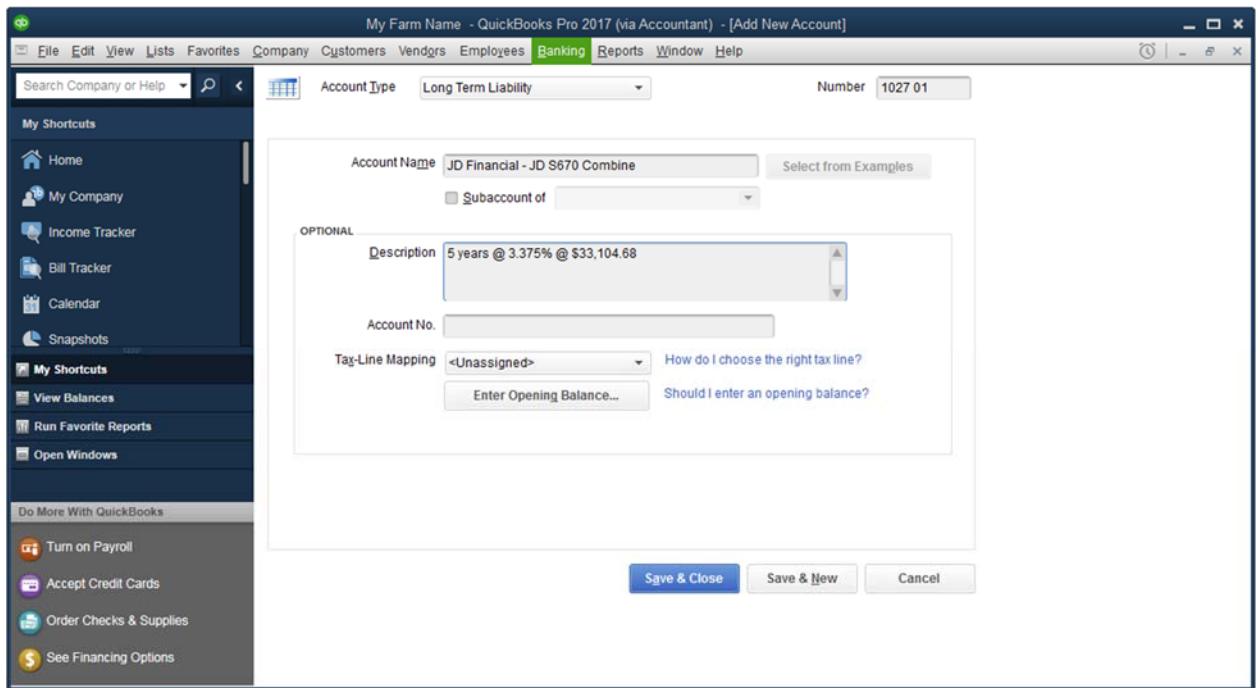
It is helpful if you enter both the lender name and a short description of the purpose of the loan as *Account Name*. For example, “JD Financial – JD S670 Combine”.

QuickBooks will not let you use an account number twice, so to distinguish between similar types of accounts, an external code is often used. In QuickBooks, the KFMA account number should be entered in the *Account Number* followed by a space and the external code. For example, if you have 2 equipment loans, they might be numbered 1027 01 and 1027 02.

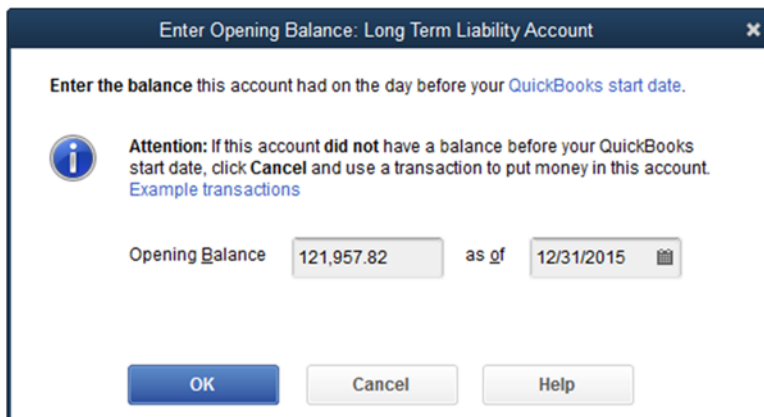
It may be helpful to enter the loan term, interest rate and regular payment amount in the *Description* field.

If you are adding a loan that **did not** exist at the beginning of the current year, setup of the loan is complete. Click *Save & Close*.

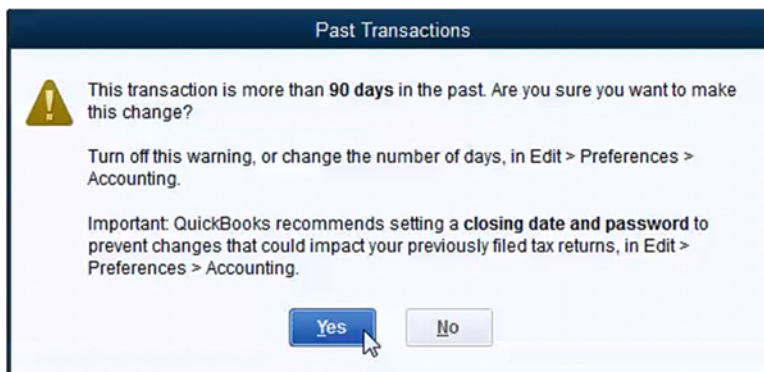
If you are setting up QuickBooks for the first time and adding a loan that existed at the beginning of the current year, click *Enter Opening Balance*.



5. Enter the loan balance on the last day of the prior tax year as the *Opening Balance*. Enter the date of the last day of the prior fiscal year. Click *OK*.

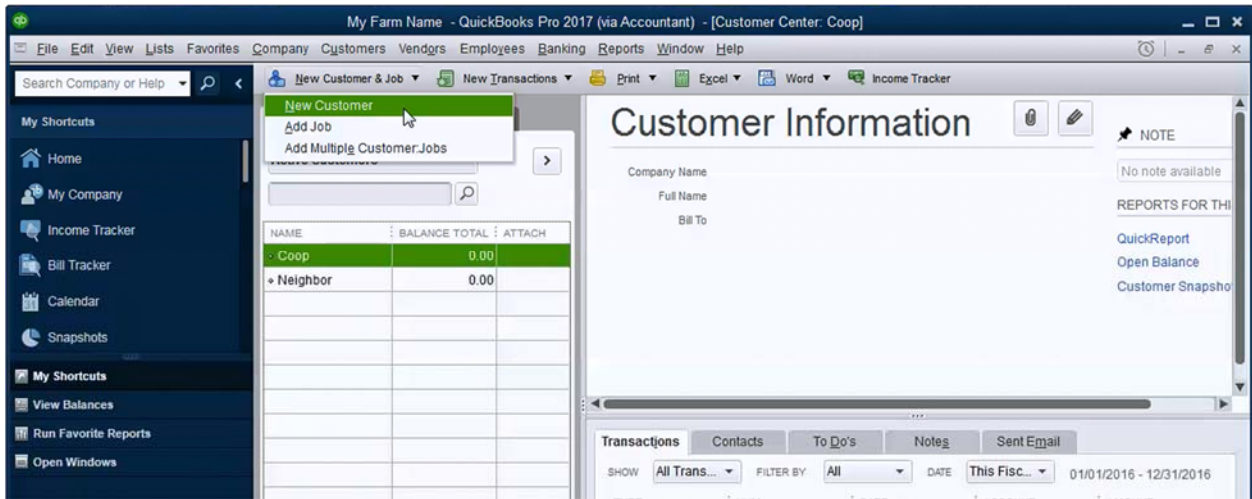


6. Click *Save & Close*.
7. You may see a window stating that the transaction is 90 days in the past. Click *Yes* to continue.

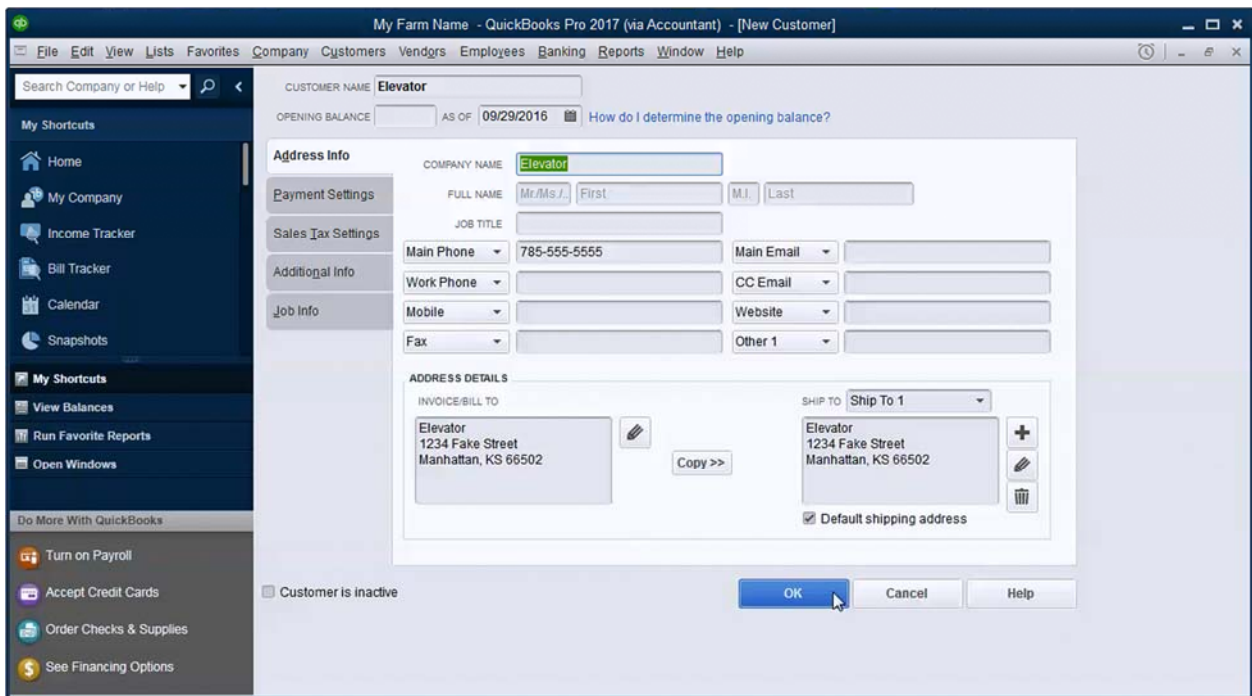


### 3.6 ADD CUSTOMERS

1. Select the *Customers* menu and click on *Customer Center*.
2. Click on *New Customer & Job* and select *New Customer* or use the CTRL + N shortcut key.



3. Enter the *Customer Name*, *Phone Number*, and *Addresses*. Usually, you will not need to enter information of the *Sales Tax Settings*, *Additional Info*, or *Job Info* tabs. If you will be invoicing a customer, consider defining default *Payment Terms* for a customer. Click *OK*.



If you have a list of customers (in MS Excel) from a previous accounting program, you can use the *Add Multiple Customers:Jobs* tool to import customers and speed up the entry process.

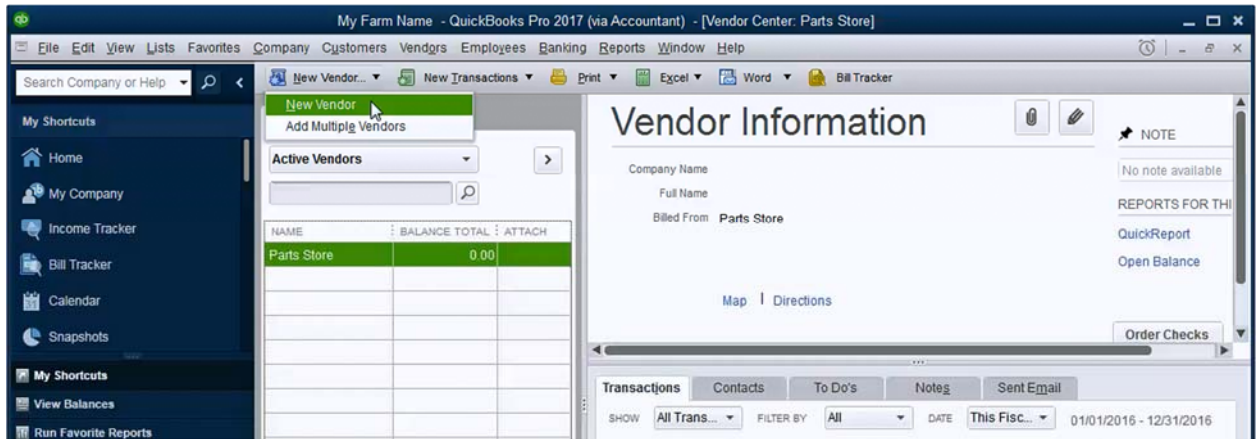
Once a customer is added, you can edit their information by double clicking on them in the list on the left side of the Customer Center.

A shortcut method to add customers is also available. See page 41.

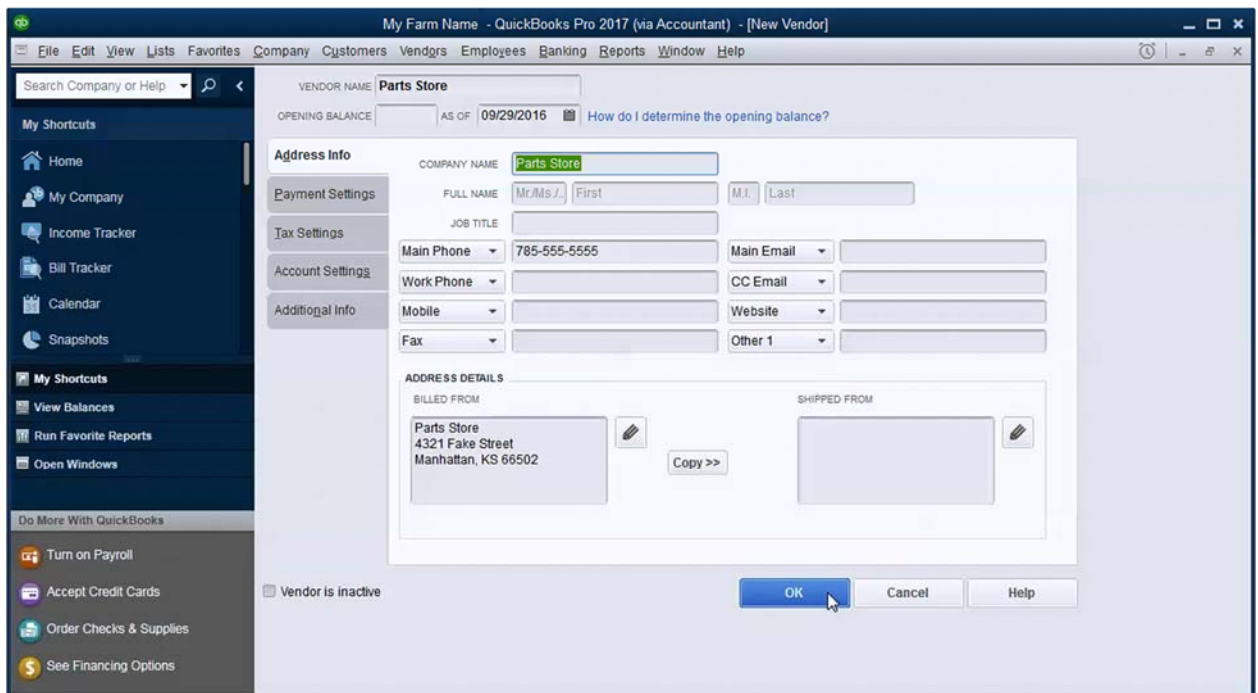


### 3.7 ADD VENDORS

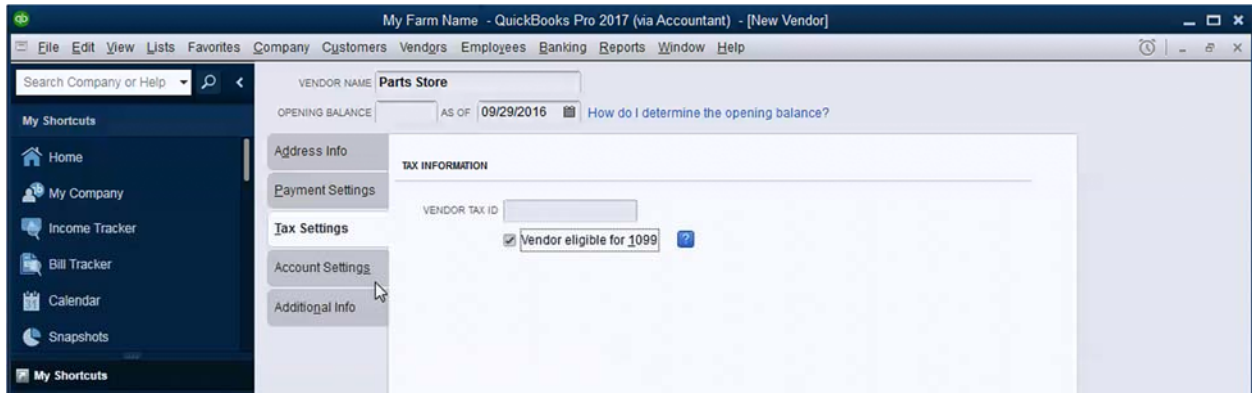
1. Select the *Customers* menu and click on *Customer Center*.
2. In the *Vendor Center*, click the *New Vendor* button and select *New Vendor*.



3. Enter the *Vendor Name*, *Phone Number*, and *Address*. You will probably not need to enter any information in *Payment Settings*, *Account Settings*, or *Additional Info* tabs.



4. If this vendor will receive 1099s, it may be helpful to enter the *Vendor Tax ID* and check the box in front of *Vendor eligible for 1099*. Entering the *Vendor Tax ID* will trigger QuickBooks Sensitive Data Protection, requiring a company file password.



5. Click *OK*.

A shortcut method to add vendors is also available. See page 62.

### 3.8 SETUP ACCOUNTS RECEIVABLE (A/R) BALANCES

Using invoices or statements to bill customers will allow you to track Accounts Receivable (A/R) so you know how much you are owed, who owes it, and how far behind they are. After you setup a company file and add customers you will need to enter opening A/R balances. QuickBooks allows several methods to set initial customer balances. However, only one method is acceptable for a cash-basis taxpayer.

To accurately reflect customer balances, you must create an invoice using the original billing date and select items that are linked to the appropriate income account. If you are a cash basis taxpayer, **DO NOT** use a journal entry to adjust an opening customer balance. If you are a cash basis taxpayer, **DO NOT** enter an opening balance in the new customer window.

### 3.9 SETUP ACCOUNTS PAYABLE (A/P) BALANCES

Using bills allows you to track Accounts Payable (A/P) so you can see how much you owe your vendors. QuickBooks allows several methods to initially set A/P balances. If you are a cash basis taxpayer, you must enter a bill with the original billing date and an appropriate expense account. If you are a cash basis taxpayer, **DO NOT** use a journal entry to enter an A/P balance. If you are a tax basis taxpayer, **DO NOT** enter an opening balance in the new vendor window.

## 4 INCOME TRANSACTIONS

QuickBooks utilizes an Undeposited Funds account to track income that has been received but has yet to be deposited into a bank account. This makes recording certain income transactions a multi-step process, shown on the Home Screen.

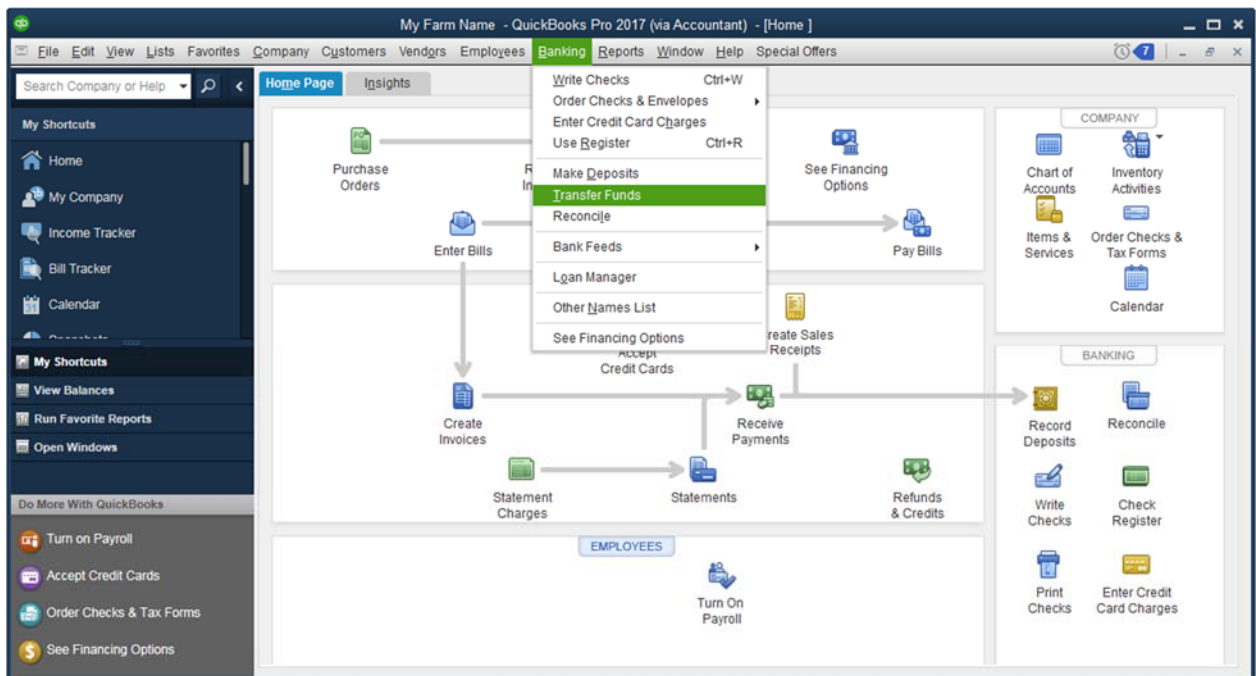
Failure to follow this process correctly will make it difficult to determine who owes you money and could have unintended tax consequences. **It is extremely important that you follow the flow chart on the Home Screen to prevent errors!**

When entering an income transaction, use the date that the income was received, not the date of the deposit in the bank.

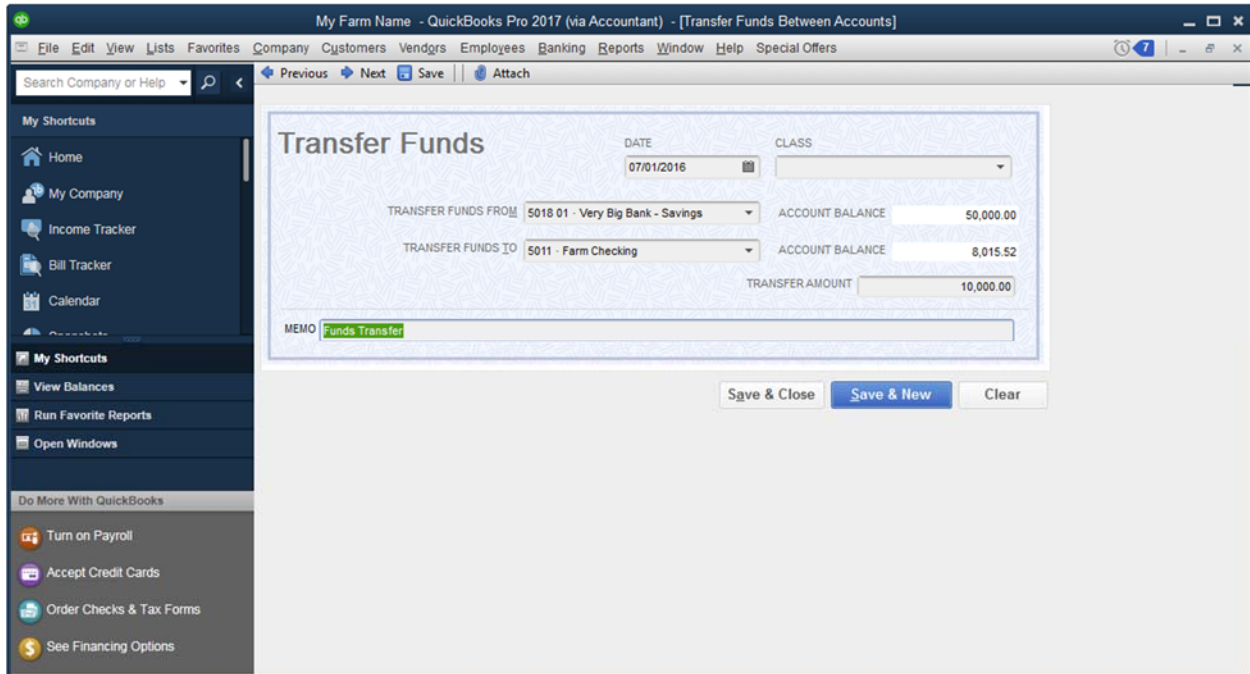
### 4.1 TRANSFERS BETWEEN ACCOUNTS

A transfer between two accounts is easily accomplished with QuickBooks. You can transfer to or from any asset, liability, or equity account. Transfers would most commonly be used when moving money from savings to checking or vice versa.

1. Click on the *Banking* menu and select *Transfer Funds*.



2. Enter the date, select a From account, To account, and enter the amount of the transfer.



## 4.2 DEPOSITS VS SALES RECEIPTS VS INVOICES

QuickBooks provides several methods to record income. Which do you use? The preferred method depends on what you wish to accomplish.

- The Make Deposits window is the most direct way of recording income as it only requires one step. If you are not tracking inventory of commodities, most of your income transactions should be recorded this way. You can also enter a transaction directly in the Check Register as a shortcut to using Make Deposits.

Even if you are tracking inventory of commodities, you will use Make Deposits when recording income from crop insurance, patronage dividends, or government payments.

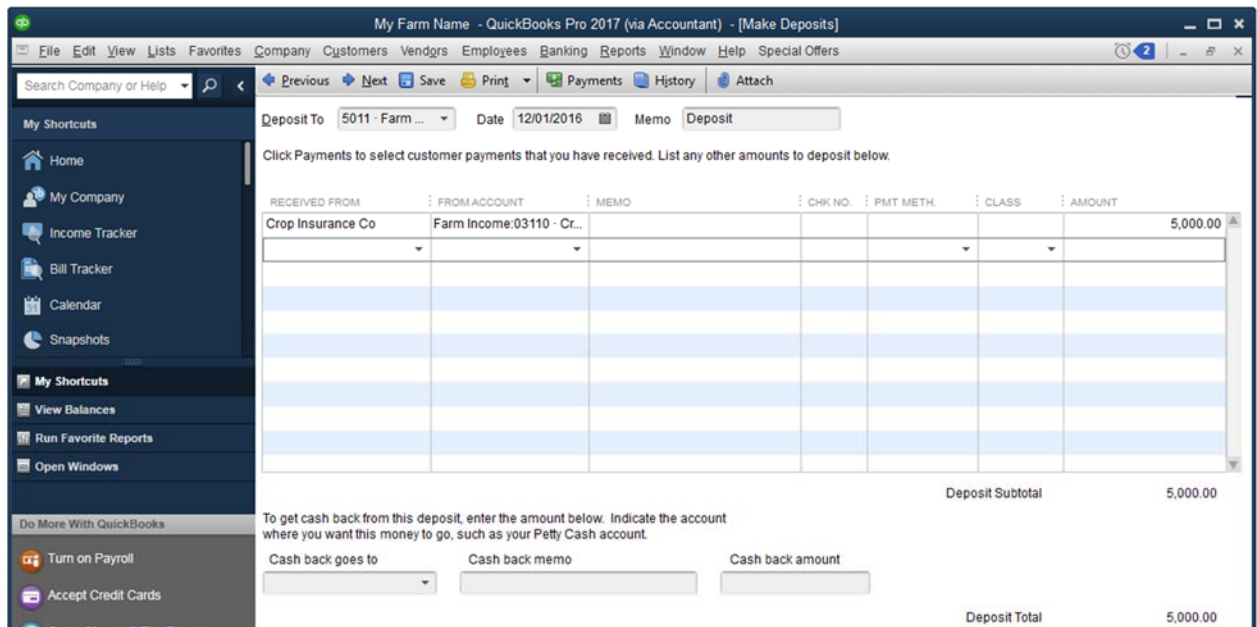
- Sales receipts are a two-step process used to record asset or commodity sales where you would like to track quantities or keep an inventory. Sales receipts are usually used to record a sale as it occurs. Inventory tracking inventory with QuickBooks is not covered in this edition of the Farmers Guide to QuickBooks.
- Invoices are usually used when you want to send an invoice to a customer. Generally, an invoice is sent when you are performing work (or have already) and will be paid at a later date, which impacts accounts receivable. Like sales receipts, invoices allow you to sell goods that are inventoried. Invoicing requires three steps to record income. You might use an invoice when you do custom work for a neighbor and want to send them a bill.

Statements are used in conjunction with invoices (that have already been created) to send a summary of activity to a customer. A statement will include outstanding invoices at the beginning of a period as well as payments received and a total amount due. Recording income from a statement requires at least three steps. You might use a statement when you have created several invoices for a neighbor for custom work done on different occasions. If the invoices are past due, you can also add finance charges to a statement.

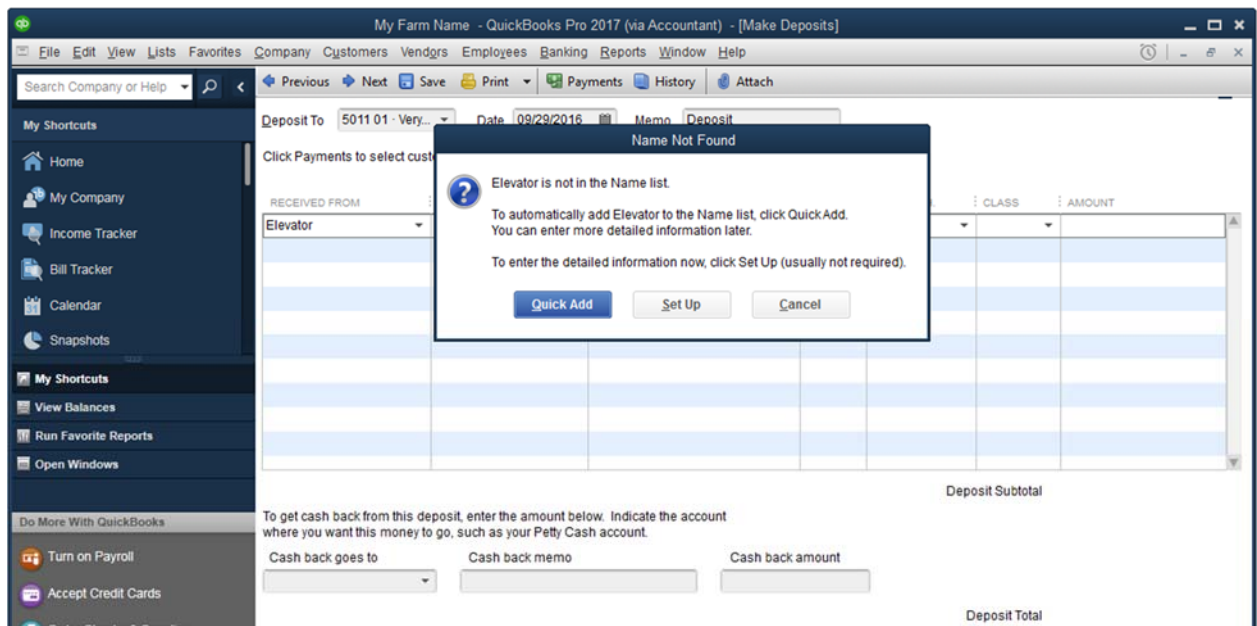
### 4.3 RECORD DEPOSITS

If you are not tracking inventory, most income transactions can be recorded (in one-step) using the *Make Deposits* window.

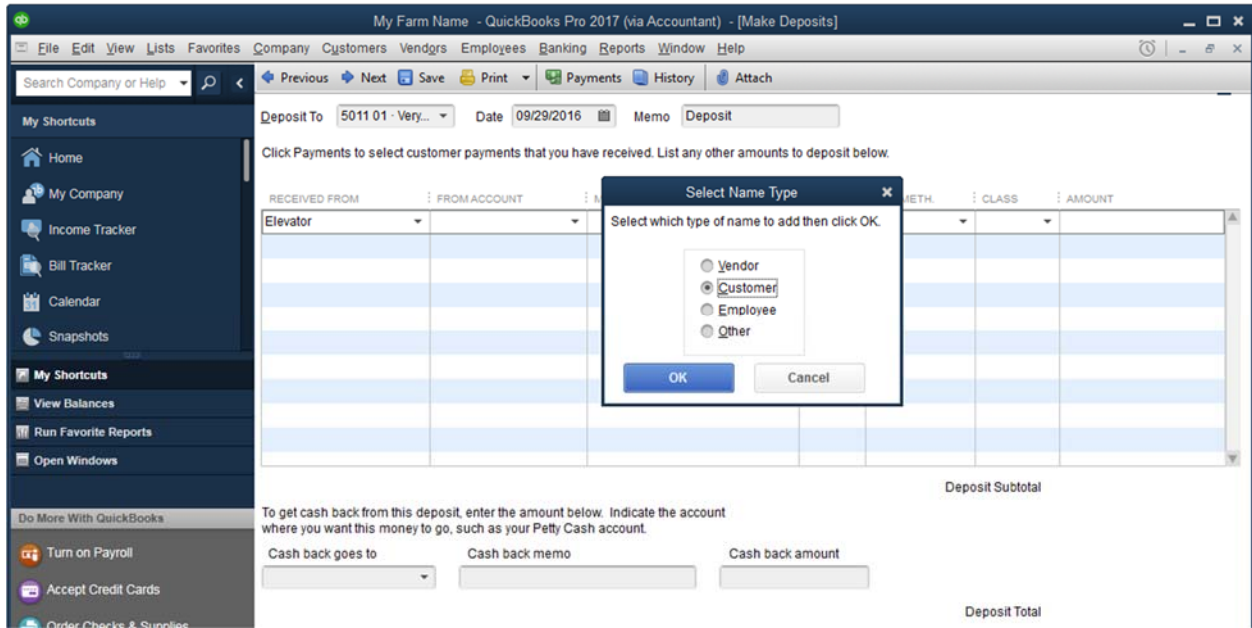
1. From the *Home Screen*, click on *Record Deposits*.
2. Select the bank account in *Deposit To* and enter the *Date*. Enter the payer in *Received From* and select the appropriate income account in *From Account*. Enter *Amount*. Click *Save & Close*.



3. If you are entering a deposit (or invoice) from a name not in the customer list, QuickBooks will display *Name Not Found*. Click *Set Up* to add detailed information about the customer, including address, phone number, etc. To add the customer quickly, without detail, click on *Quick Add*.



- If you selected *Quick Add* in step 3, select *Customer* and click *OK*.

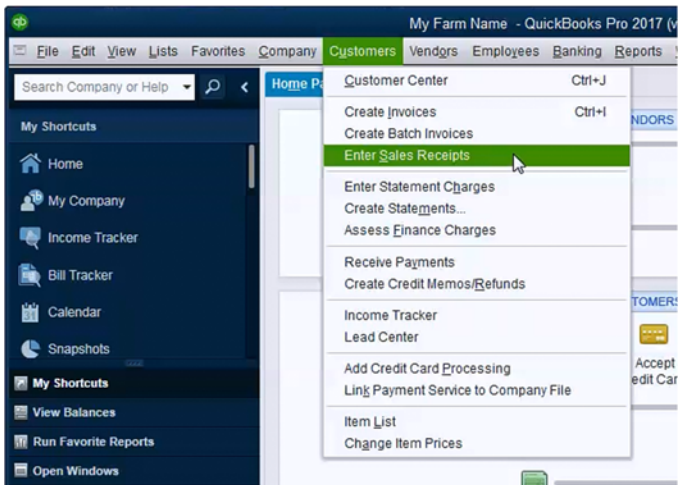


#### 4.4 SALES RECEIPTS

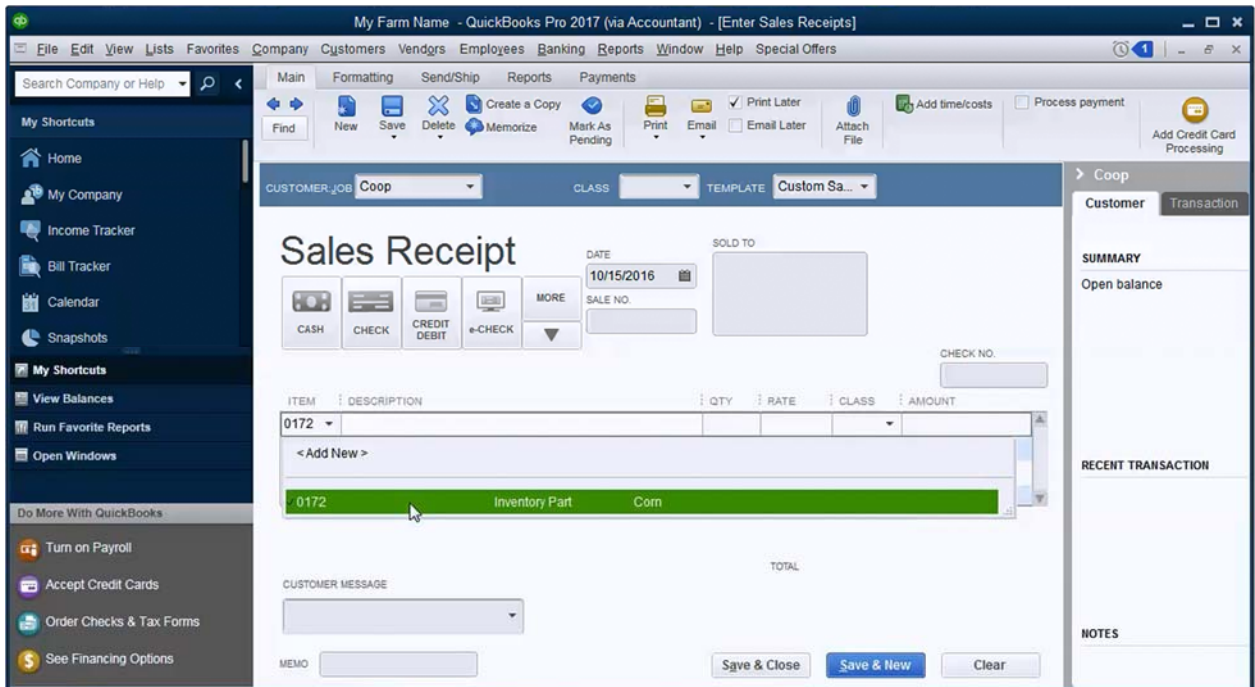
Use *Sales Receipts* (rather than *Record Deposits*) to record sales of commodities when you are tracking inventory. A sales receipt requires first creating the sales receipt, then recording the deposit.

##### CREATE A SALES RECEIPT

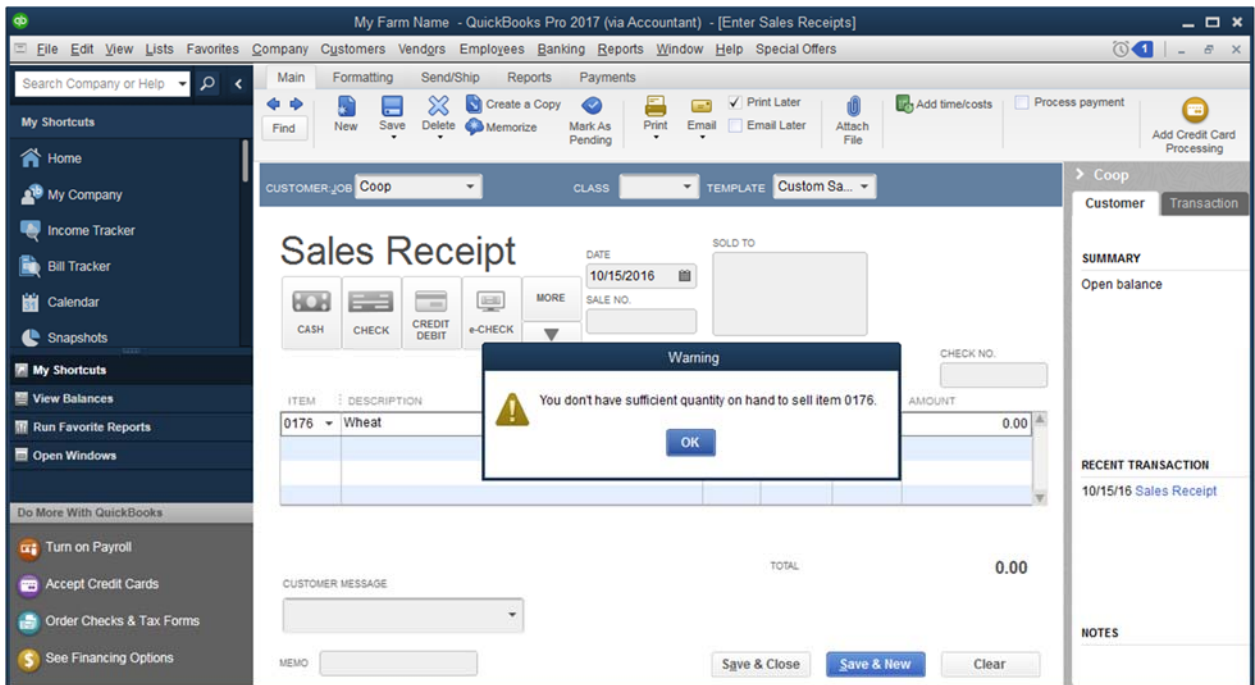
- To create a Sales Receipt, select the *Customers* menu and click *Enter Sales Receipt* or click on the *Create Sales Receipt* icon on the *Home Screen*.



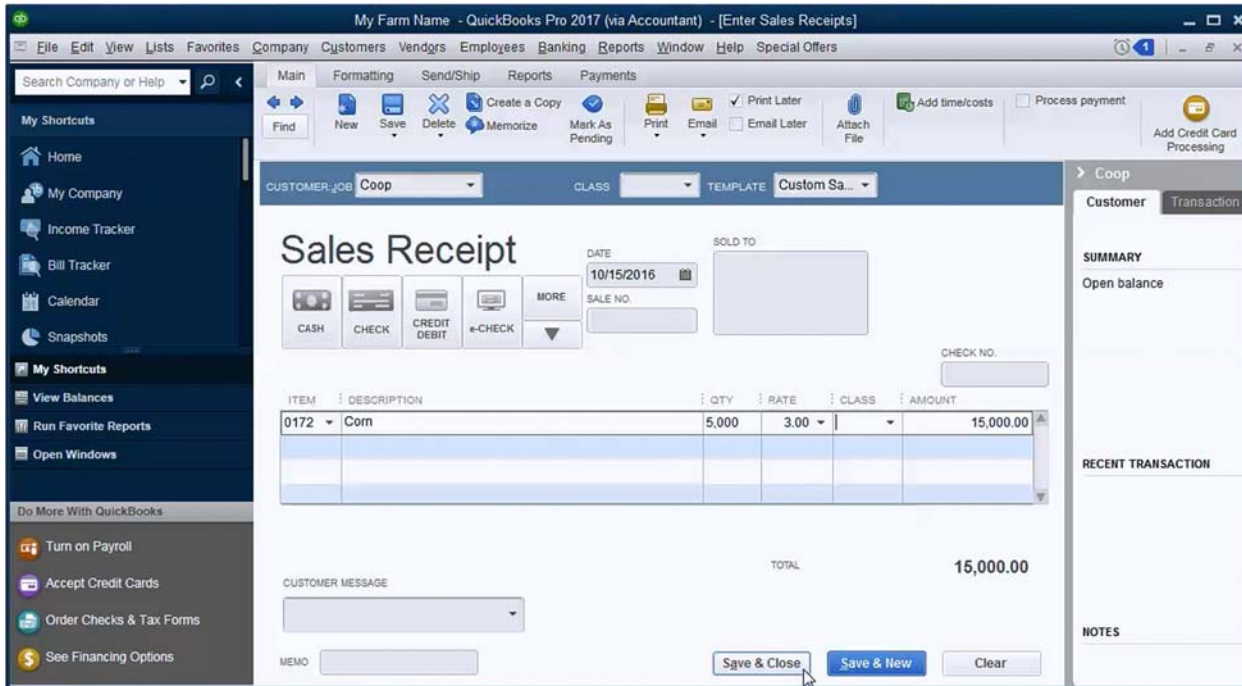
2. Select a customer from the *Customer:Job* drop down and enter the *Date* of the sale, *not* the date of the deposit. When you select an Item, the description will be automatically filled.



3. You may see an error message stating that you don't have enough in inventory on hand. See page **Error! Bookmark not defined.** for more information on entering crop or livestock production into inventory.

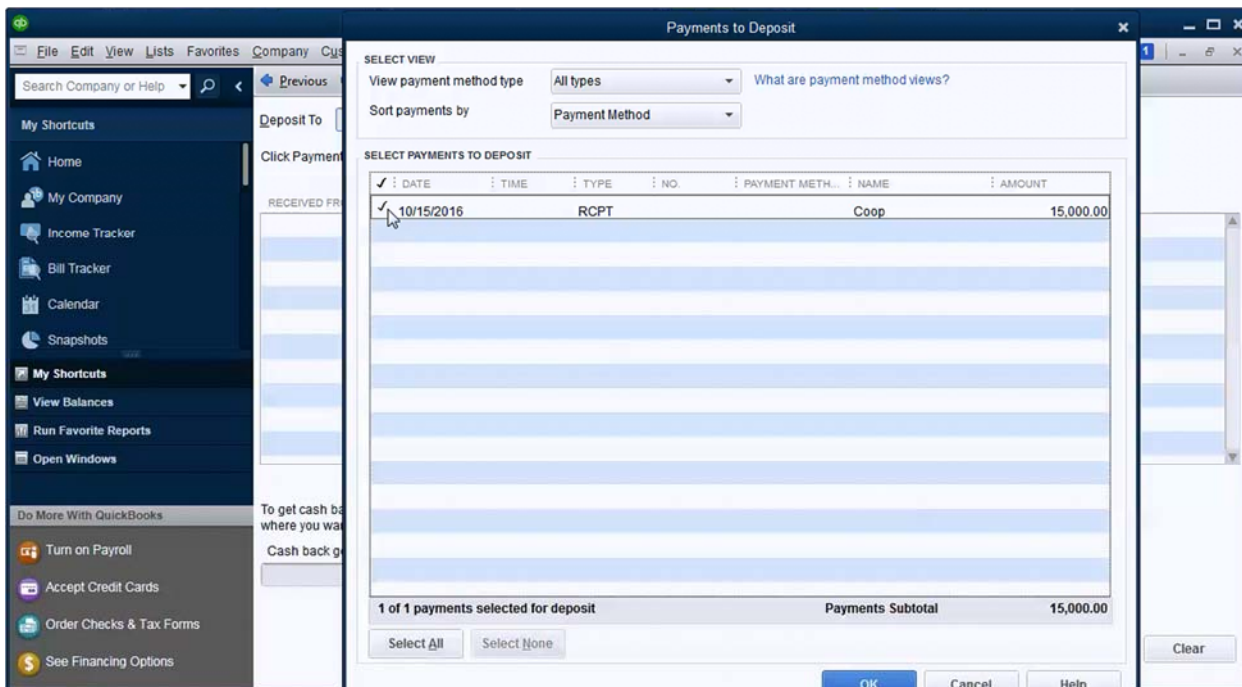


4. Enter the *Quantity* and *Rate*. QuickBooks will calculate the *Amount*. Click *Save & Close*.



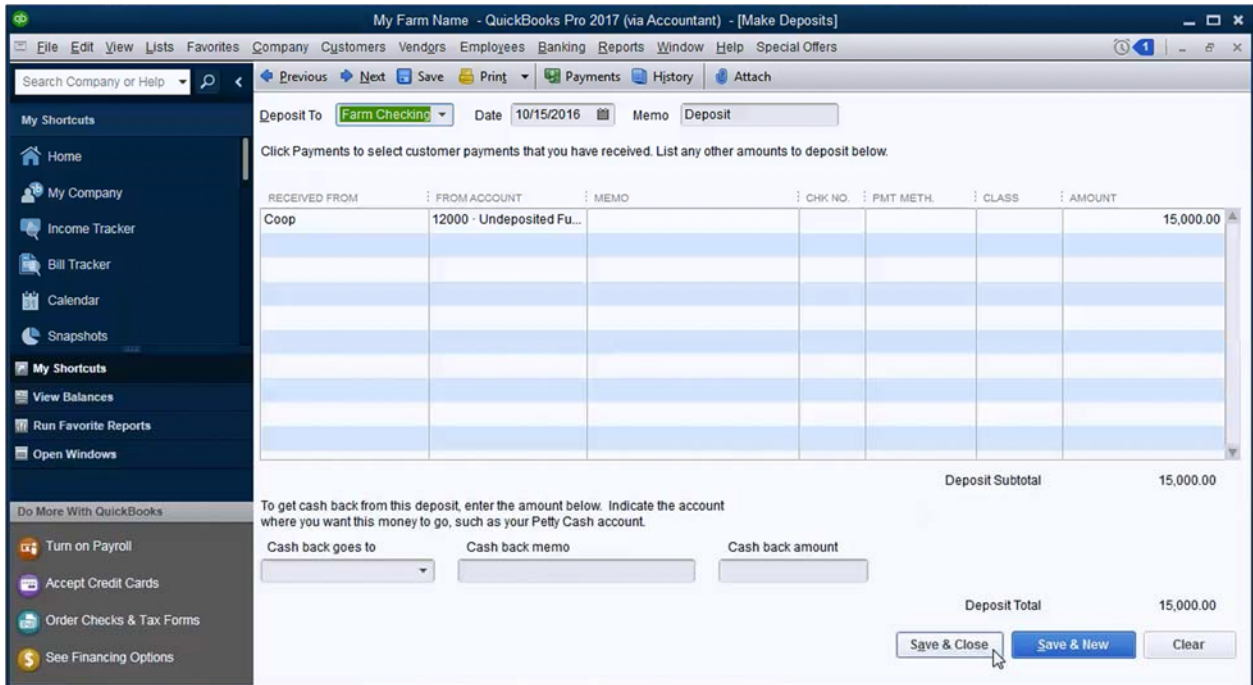
**RECORD A DEPOSIT**

1. On the *Home Screen*, select *Record Deposits*. In QuickBooks 2017, the number in the red box near the *Record Deposits* icon is the number of customer payments that have been received but not deposited.
2. The *Make Deposits* window and *Payments to Deposit* window should both open automatically. Place a checkmark in front of each customer payment that will be included in the deposit. You can select payments from multiple customers at once. Click *OK*.





- The selected customer payments are automatically entered on the *Make Deposits* window. Select the appropriate bank account under *Deposit To* and change the *Date* as needed. You can add additional lines if other checks were deposited at the same time. Click *Save & Close*.

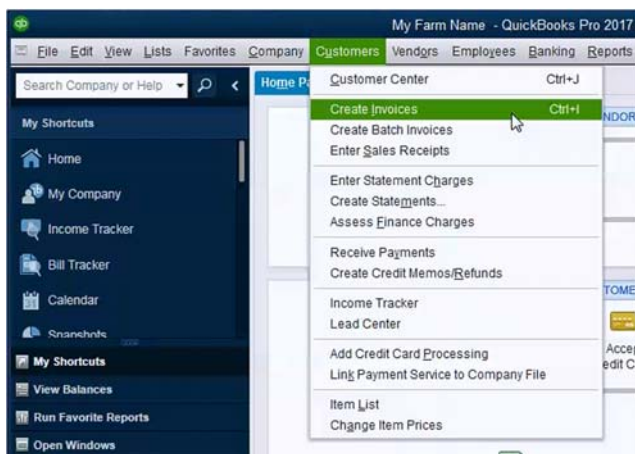


## 4.5 INVOICING

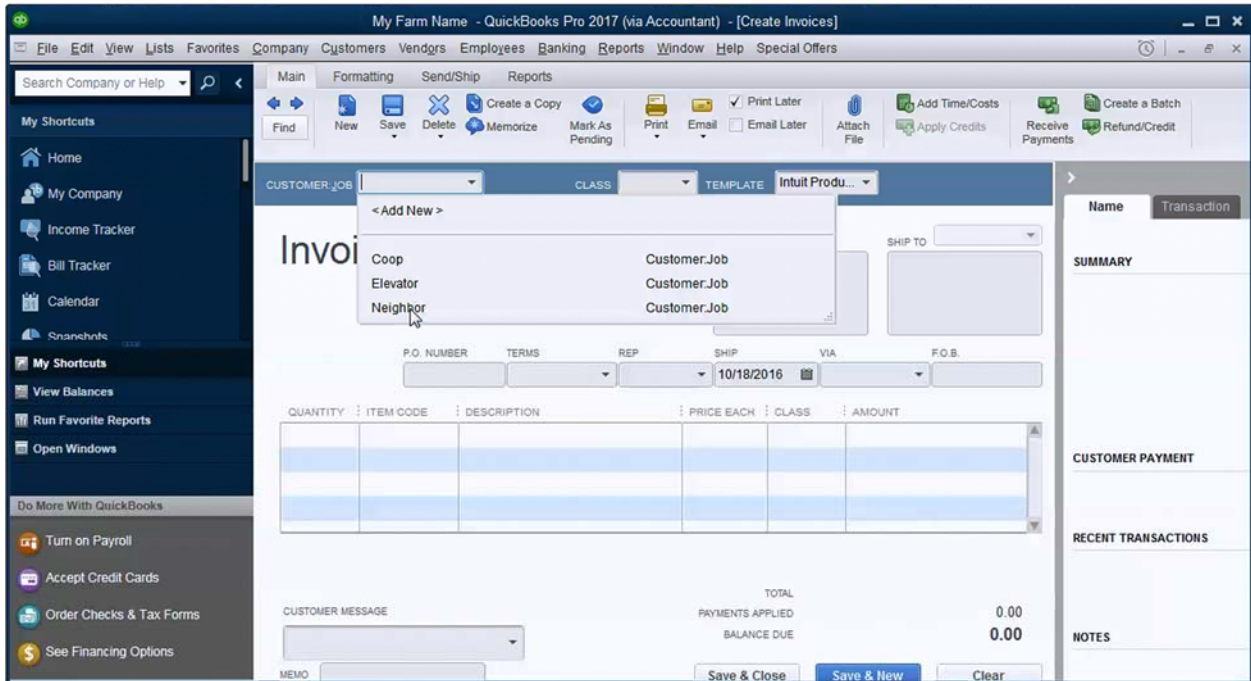
An invoice requires three steps: creating the invoice, receiving a payment, and recording the deposit. You must use *Items* to detail an invoice. If you downloaded and modified a company file from [www.farmersguidetoqb.com](http://www.farmersguidetoqb.com), a long list of items are included but some are inactive by default. To see a list of *Items*, click on the *Lists* menu and select *Item List*. At the bottom of the *Item List* window, check the box to *Include inactive* to show all items.

### CREATE AN INVOICE

- To create a new invoice, click on the *Customers* menu and select *Create Invoices* or select *Create Invoices* on the *Home Screen*.

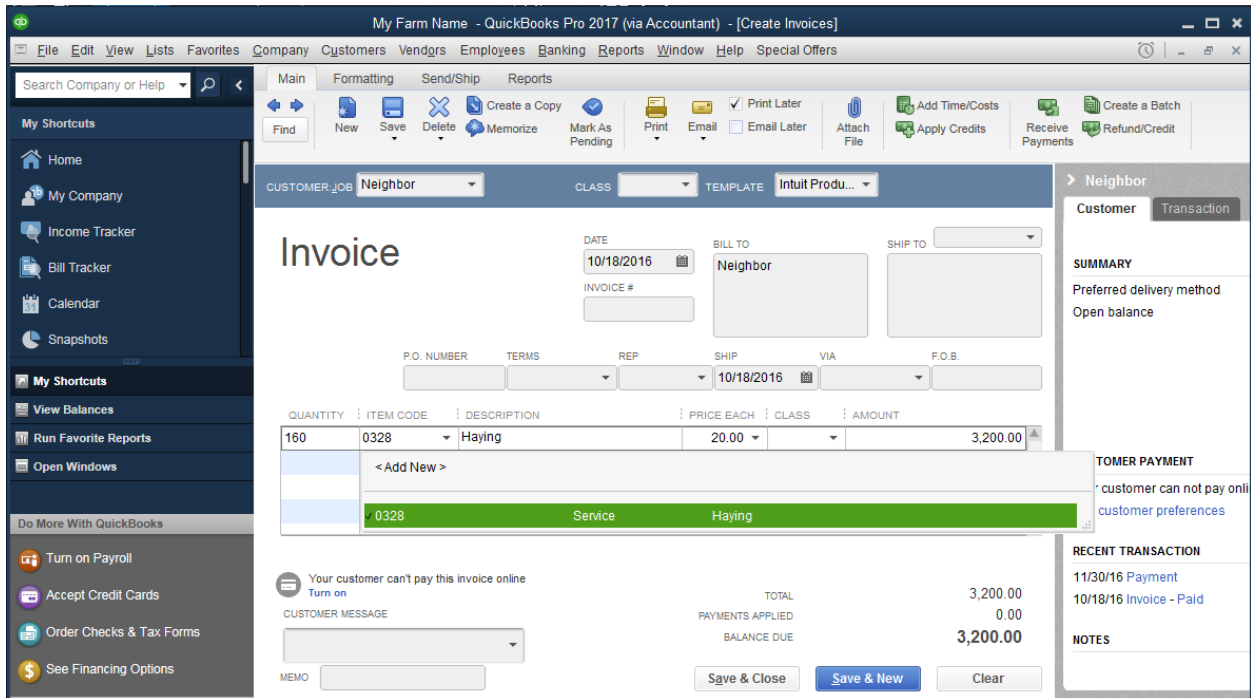


2. Select a customer from the *Customer:Job* drop down;



3. Enter the invoice *Date*, *Quantity*, and type the *Item Code* or select from the menu. If you are using a downloaded company file template, preconfigured items are available for nearly all income codes in the KFMA chart of accounts. If you do not see an item, it may be hidden.

Once an item is selected, QuickBooks will automatically fill in the *Description*. Edit *Description* as needed and enter a *Price Each*. QuickBooks will calculate *Amount* by multiplying *Quantity* by *Price Each*.



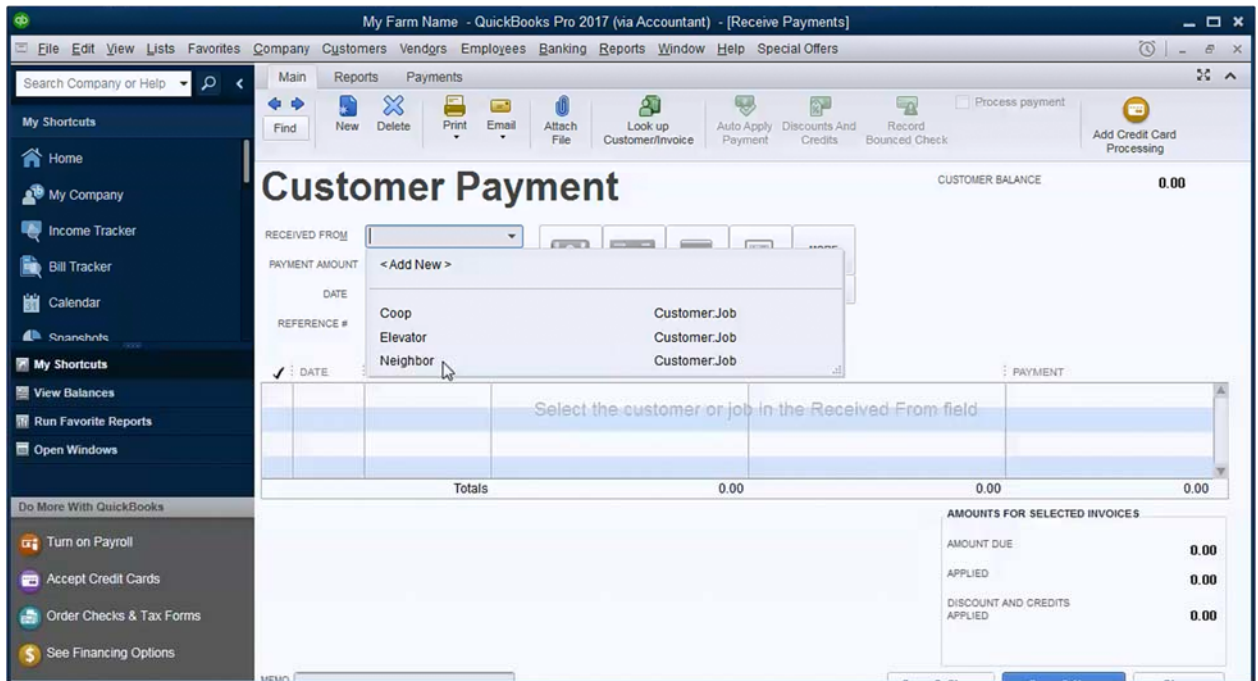
4. Click *Save & Close* when finished.

**RECEIVE A CUSTOMER PAYMENT**

When you receive a customer payment, QuickBooks will decrease Accounts Receivable (A/R) and increase the balance in the Undeposited Funds account. QuickBooks uses this Undeposited Funds account to track funds received that have not made it to the bank.

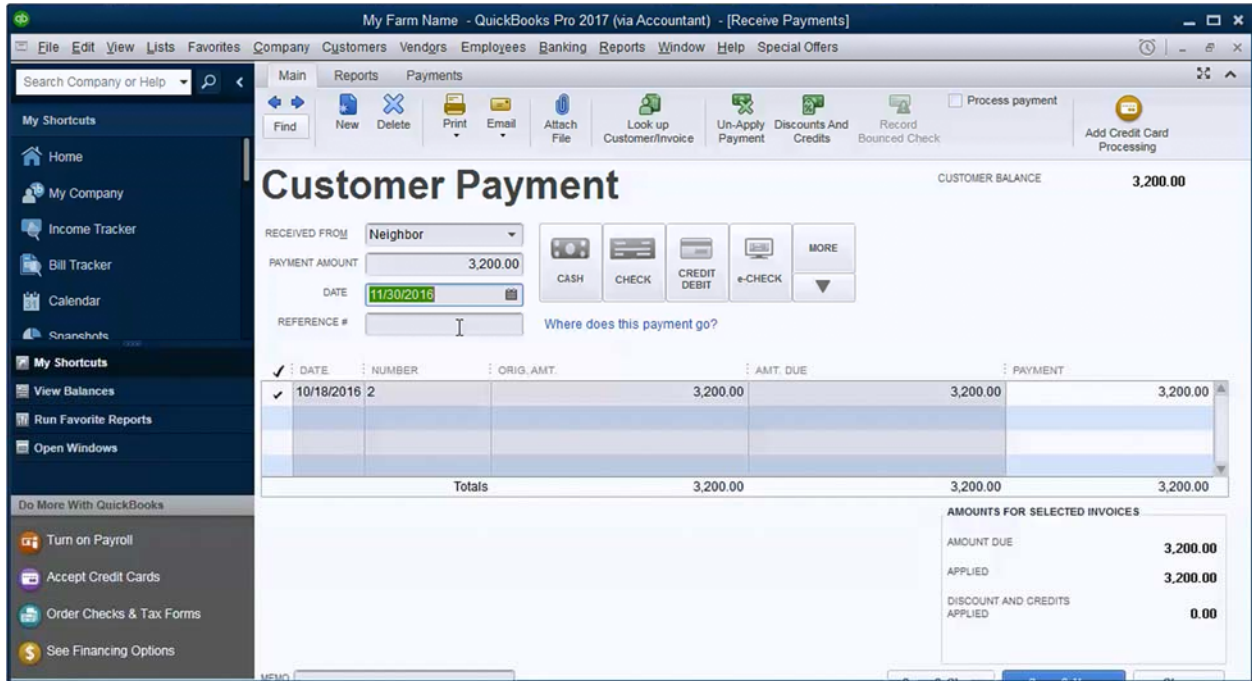
If you receive a customer payment, make certain that you complete the process by using Record Deposit. If these customer payments are not handled properly, income may duplicated on profit and loss reports.

1. From the *Home Screen*, select *Receive Payments* or click the *Customers* menu and select *Receive Payments*.
2. Select the customer in the *Received From* drop down.

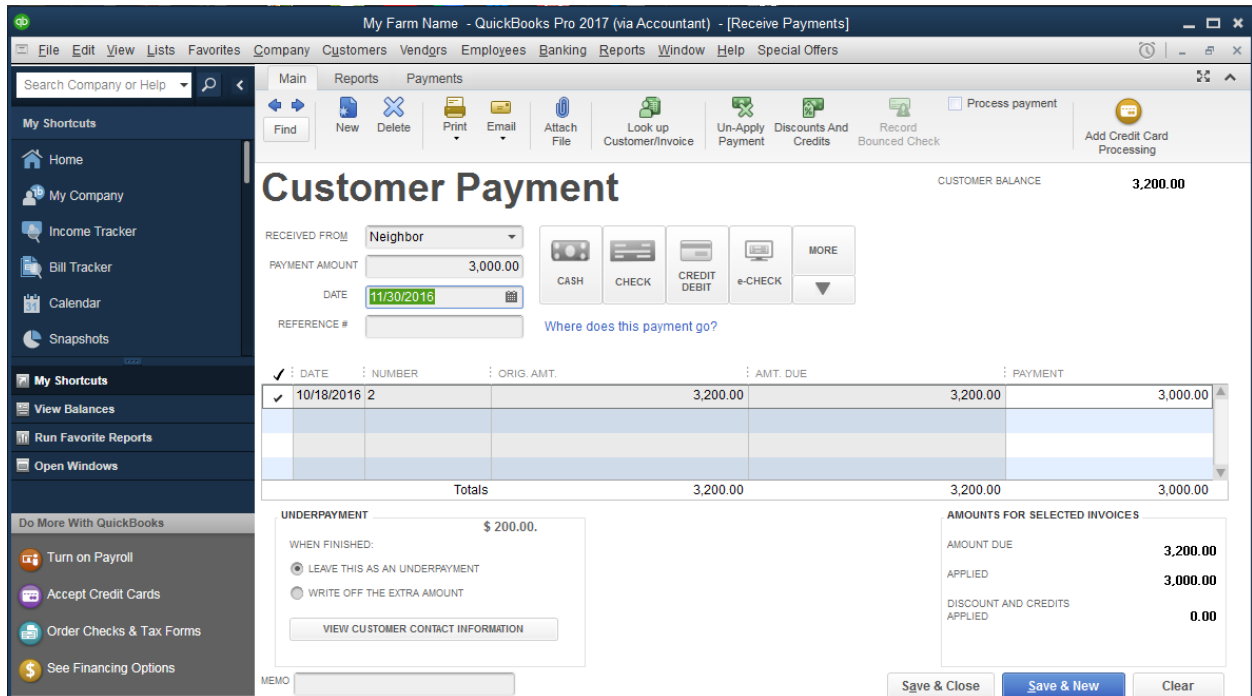


3. Once you have selected a customer, QuickBooks will display a list of unpaid invoices for that customer. When you enter a *Payment Amount*, it will place a checkmark in the far left column of an invoice that matches the payment amount. If no invoices match the payment amount

exactly, QuickBooks will apply partial payments starting with the oldest invoice. You can modify how a payment is applied to an invoice by changing the amount in the *Payment* column.

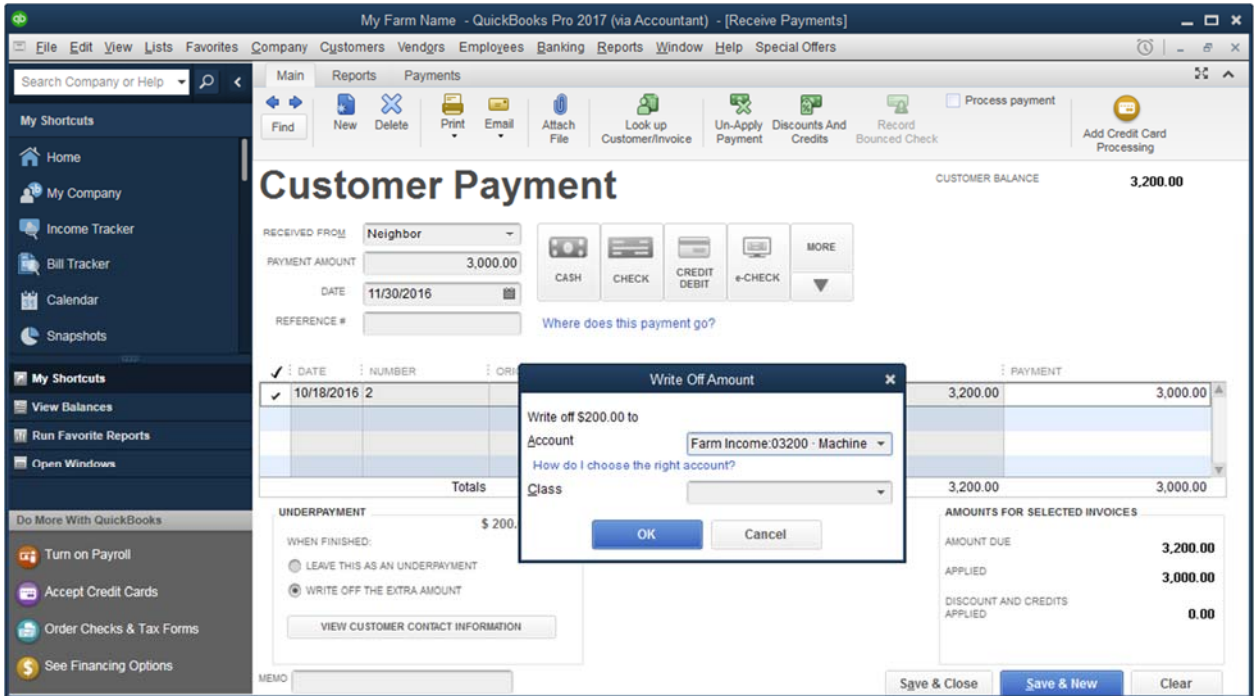


- If the *Payment Amount* is less than the total *Amount Due* on the selected invoices, an *Underpayment* section will be displayed in the lower left corner of the Customer Payment window.

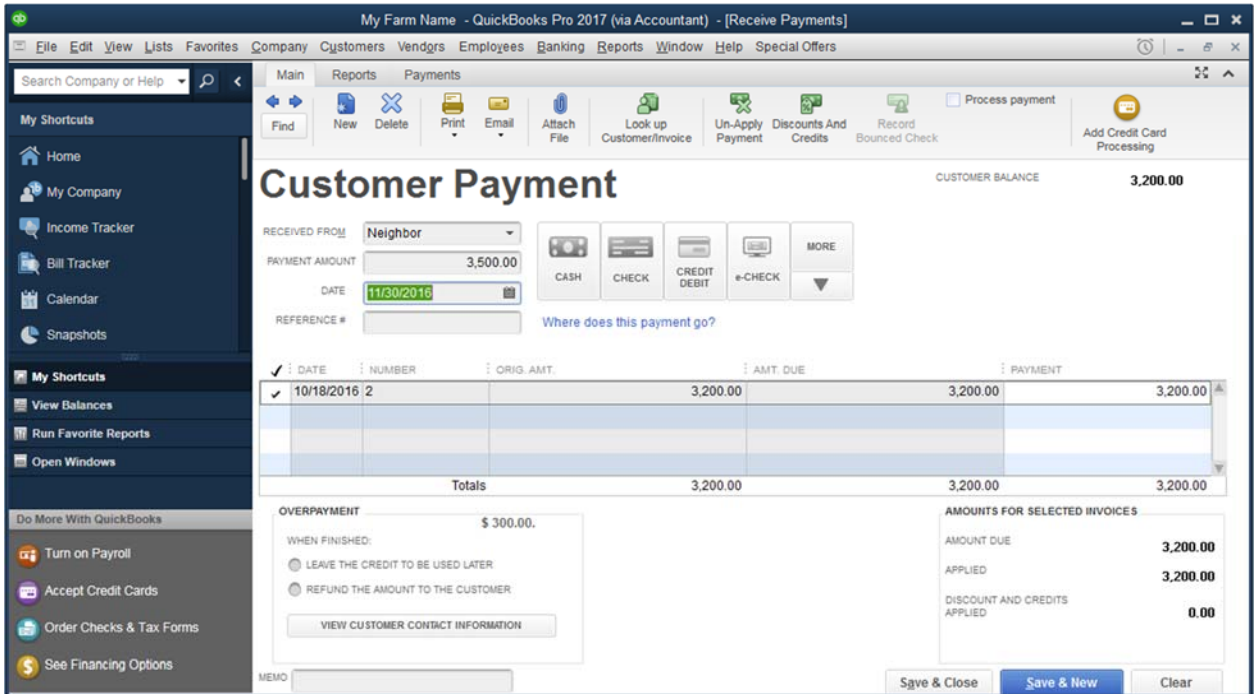


If you select *Leave this as an underpayment*, QuickBooks will continue to show an open balance for this customer. Select this option if you are unsure that the customer will pay the remaining balance at a later date.

If you select *Write off the extra amount*, QuickBooks will prompt you to select an *Account* to reflect the amount of the write off. Select an account that is similar to the income account on the original invoice. Use this option if you know the customer **will not** pay the remaining balance in the future.

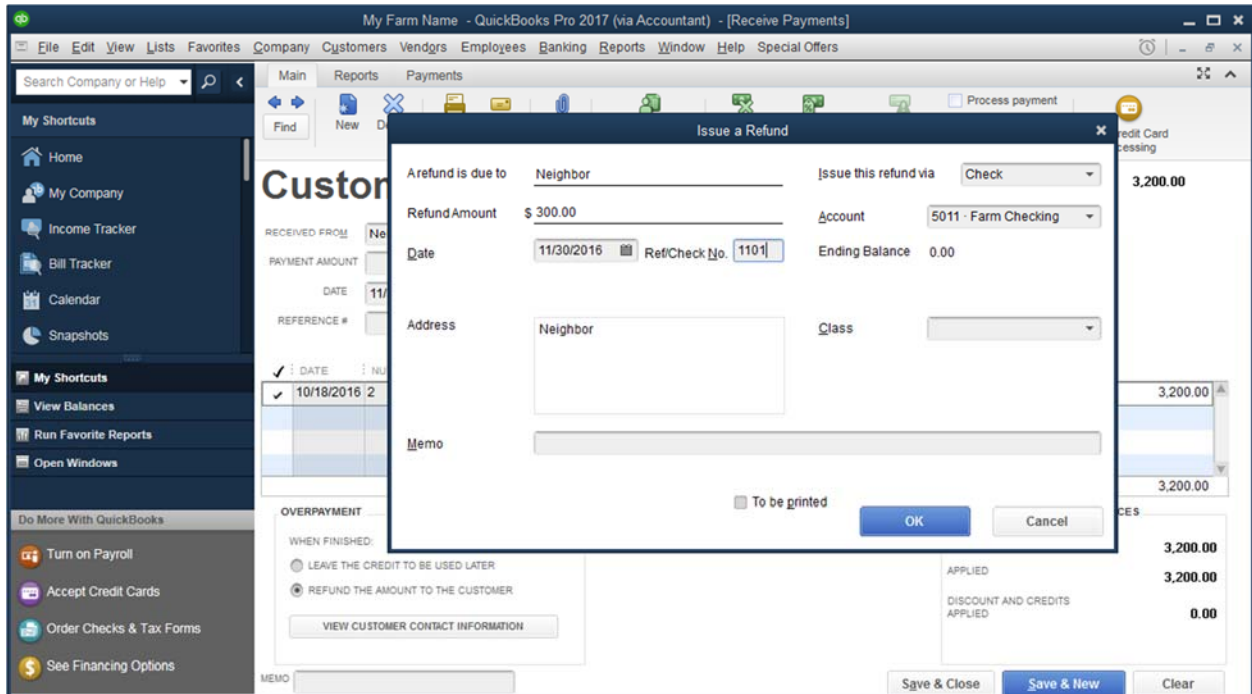


5. If the *Payment Amount* is more than the total *Amt Due* on the selected invoices, an *Overpayment* section will be displayed in the lower left corner of the Customer Payment window.



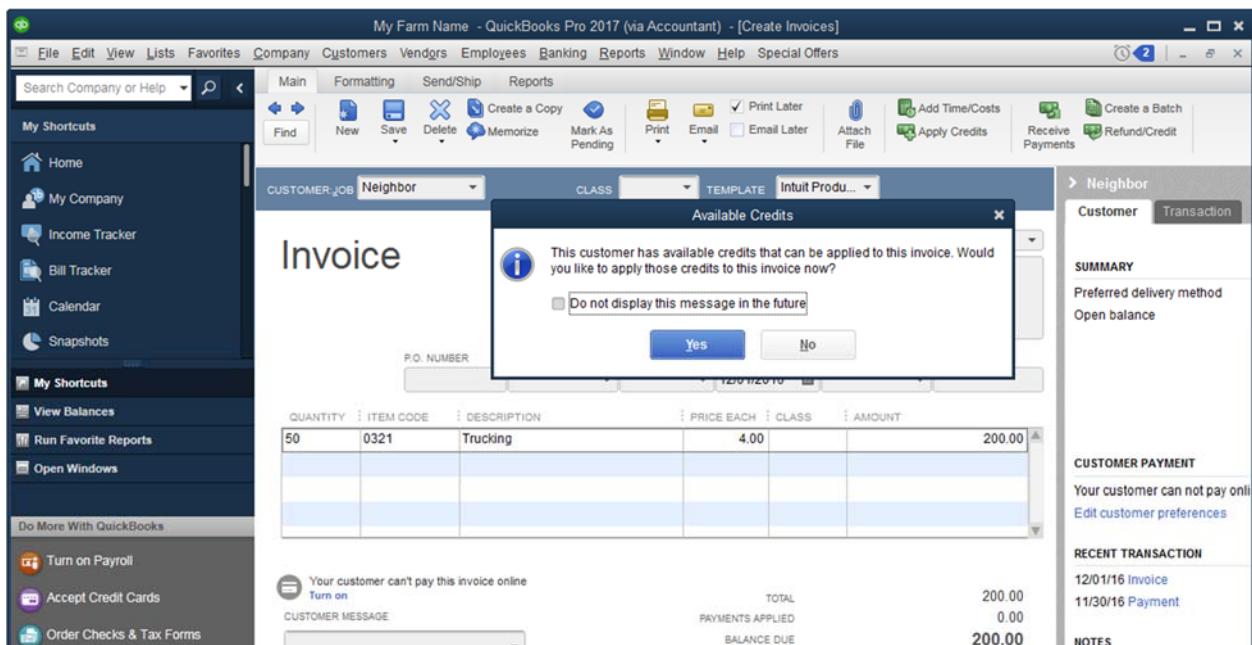
If the overpayment is correct and is for additional goods or services, beyond the original invoice, create an invoice for the amount of the overpayment and apply the overpayment to that invoice in addition to the original invoice.

If the overpayment is an error and no additional work will be done for the customer, select *Refund the amount to the customer*. When you save the customer payment, QuickBooks will prompt you to create a check to issue the refund.

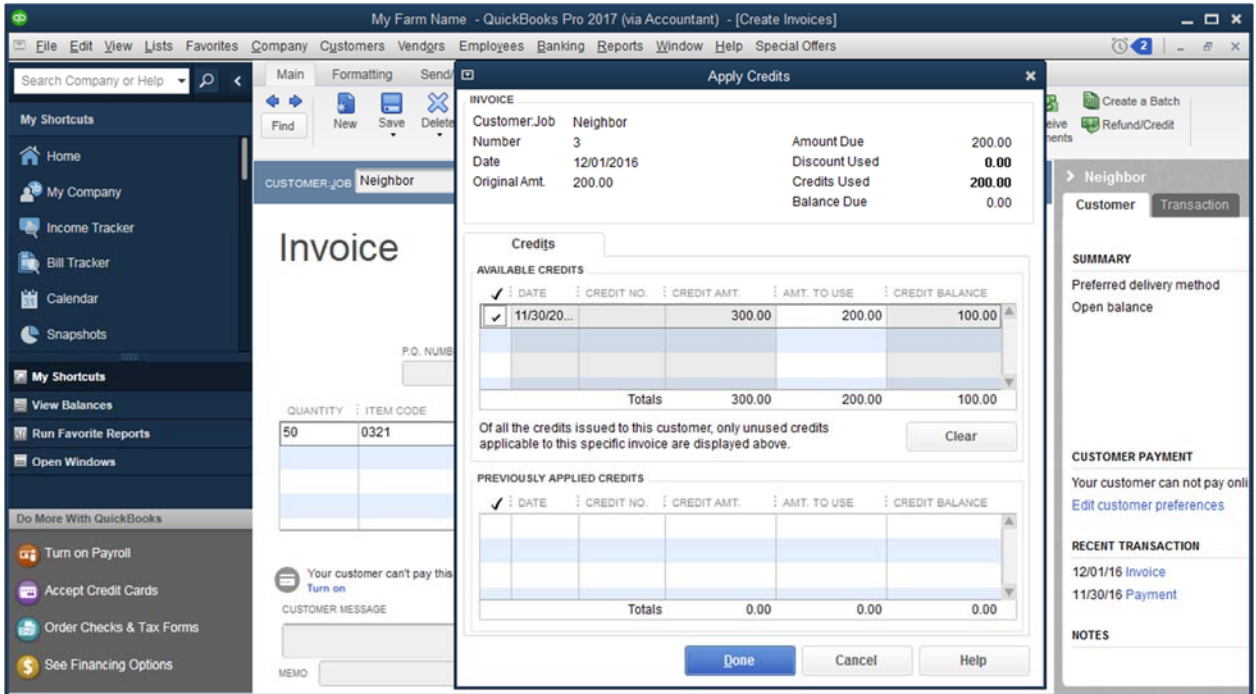


If the overpayment is an error and you anticipate invoicing the customer in the future for additional work, select *Leave the credit to be used later*.

When you create a future invoice for this customer and save it, QuickBooks will remind you that you have credits available to be applied. Click Yes to apply available credits to the invoice.

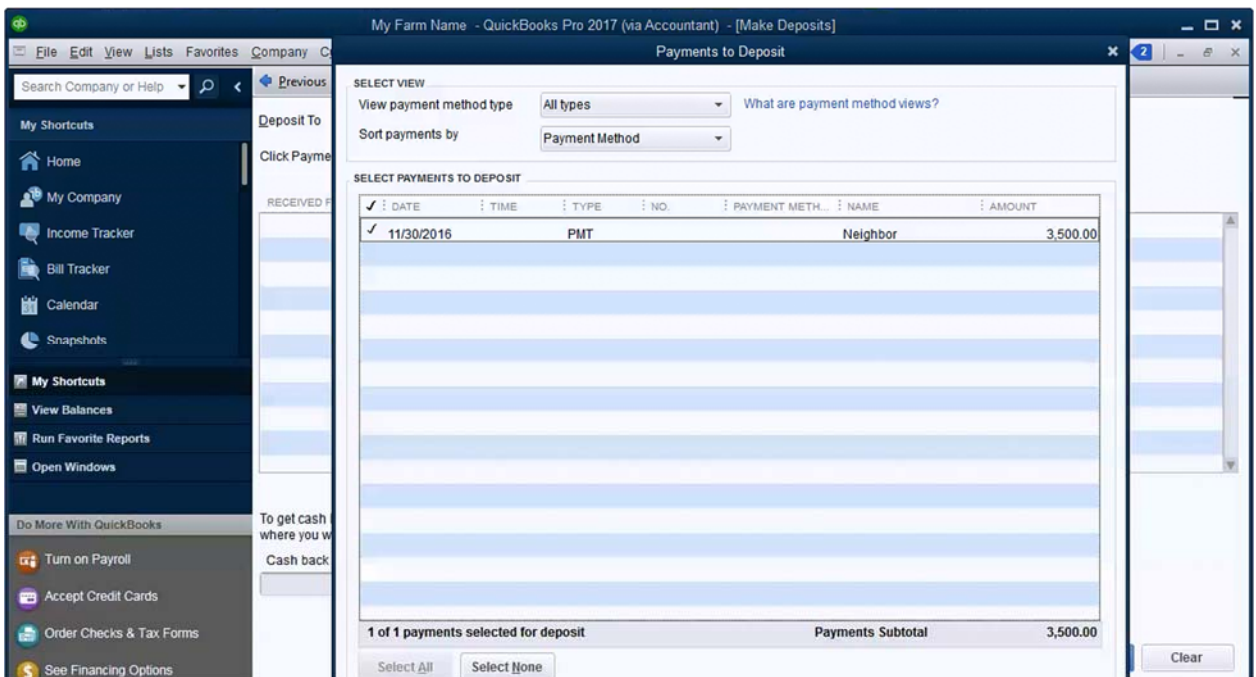


Select the credit to apply by placing a checkmark in the left column. You can partially apply a credit by changing the value in *Amt to use*. Click Done when you are finished.

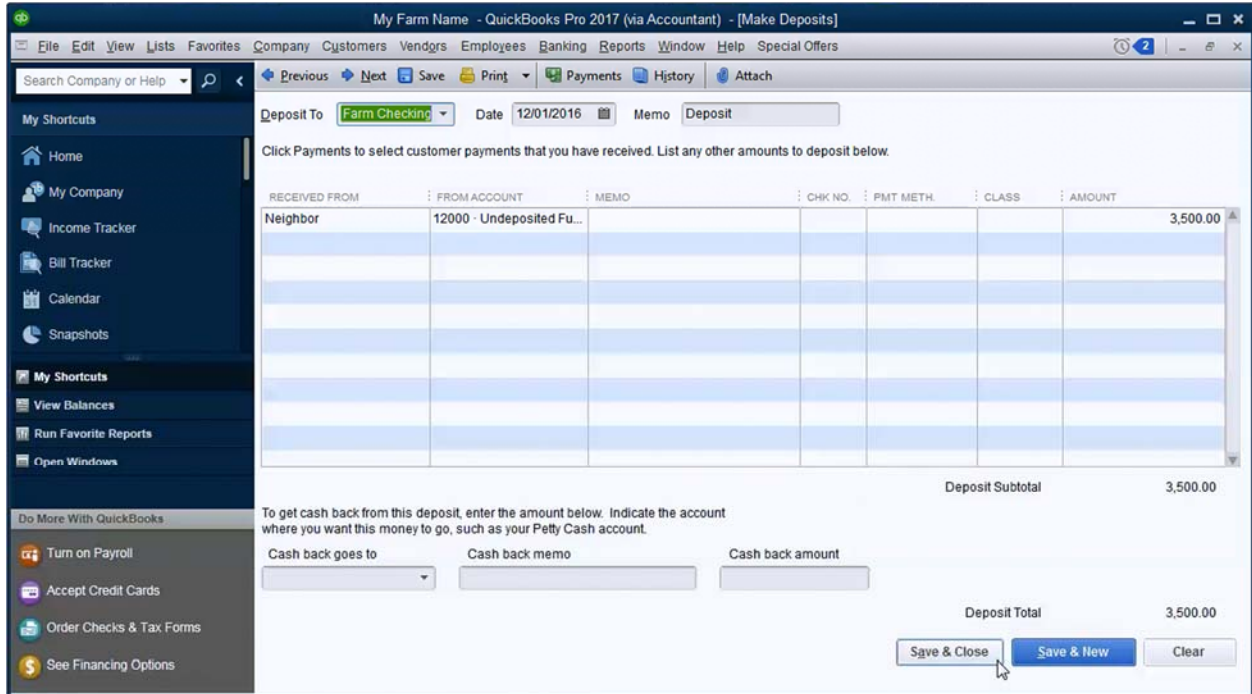


**RECORD A DEPOSIT**

1. On the *Home Screen*, select *Record Deposits*. In QuickBooks 2017, the number in the red box near the *Record Deposits* icon is the number of customer payments that have been received but not deposited.
2. The *Make Deposits* window and *Payments to Deposit* window should both open automatically. Place a checkmark in front of each customer payment that will be included in the deposit. You can select payments from multiple customers at once. Click *OK*.

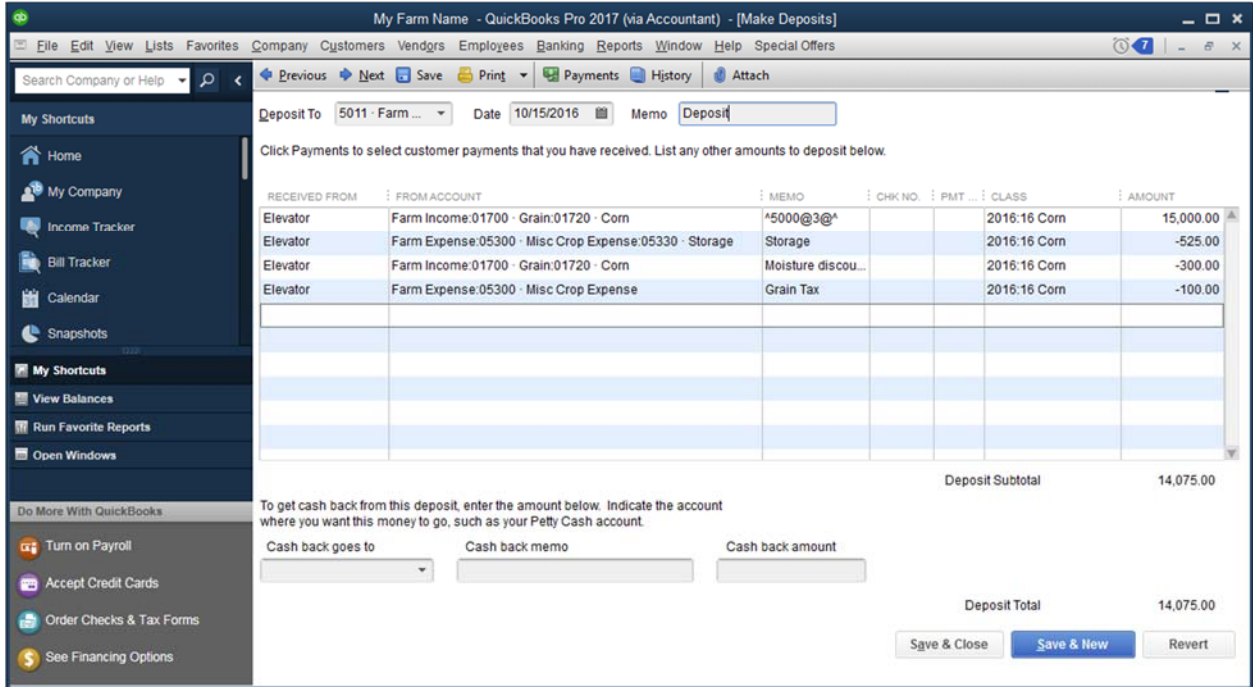


- The selected customer payments are automatically entered on the *Make Deposits* window. Select the appropriate bank account under *Deposit To* and change the *Date* as needed. You can add additional lines to the deposit if needed. Click *Save & Close*.





## 4.6 RAISED GRAIN OR HAY SALES



If the sale includes an adjustment for storage, grain tax, or a discount/premium (for moisture, protein, foreign material, etc), enter discounts as a negative and premiums as a positive using the following suggested ATIG codes:

Storage, grain tax, etc	05300
Premium/discount	Use the same grain code used in the sale

If you prefer more detail, use:

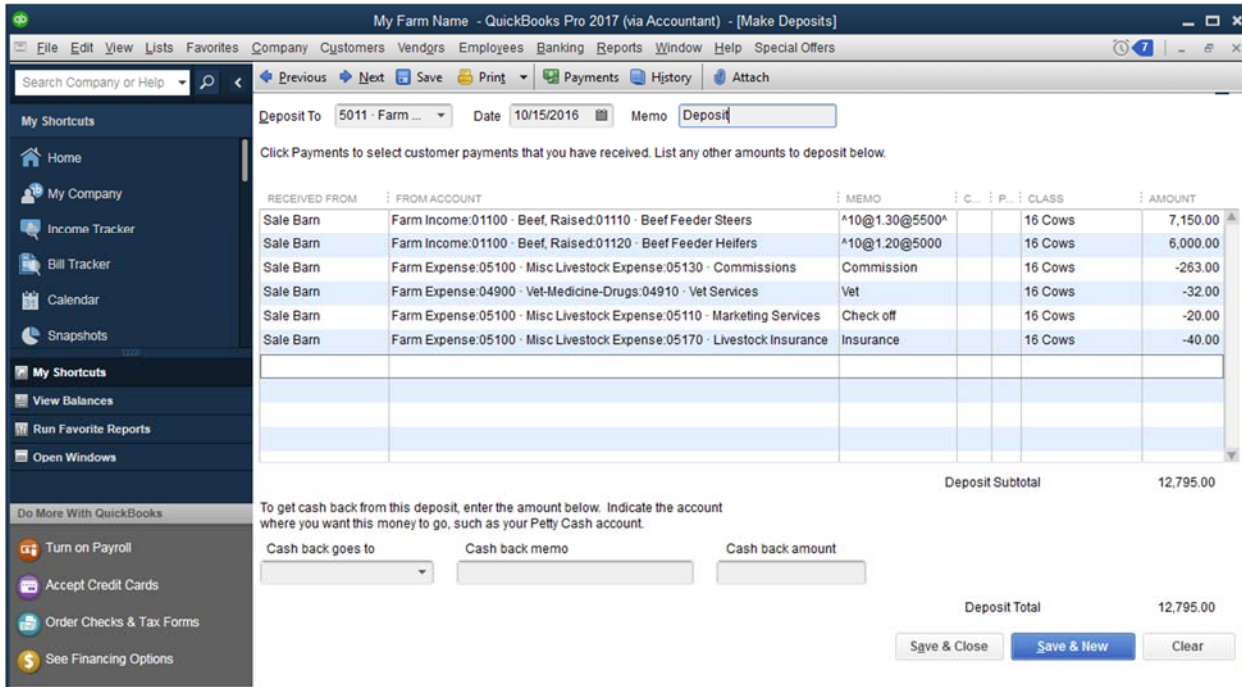
Storage	05330
Grain Tax	05300
Premium/Discount	Use the same grain code used in the sale

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the memo column using the format:

**^units@dollars per unit@total weight^**  
 Example: 15,000 bushels, \$3.00 per bushel  
**^15000@3.00@^**  
 Do not enter text, including "\$" or "lbs"

## 4.7 RAISED MARKET LIVESTOCK SALES



If a sale includes deductions such as commission, insurance, check off fees, veterinary, or yardage, enter these as negative amounts on the deposit. Enter deductions using the following suggested ATIG codes:

Commissions, yardage, insurance, check-off	05100
Veterinary	04900
Feed	04400

If you prefer more detail, use:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Check-off	05110

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the description column using the format:

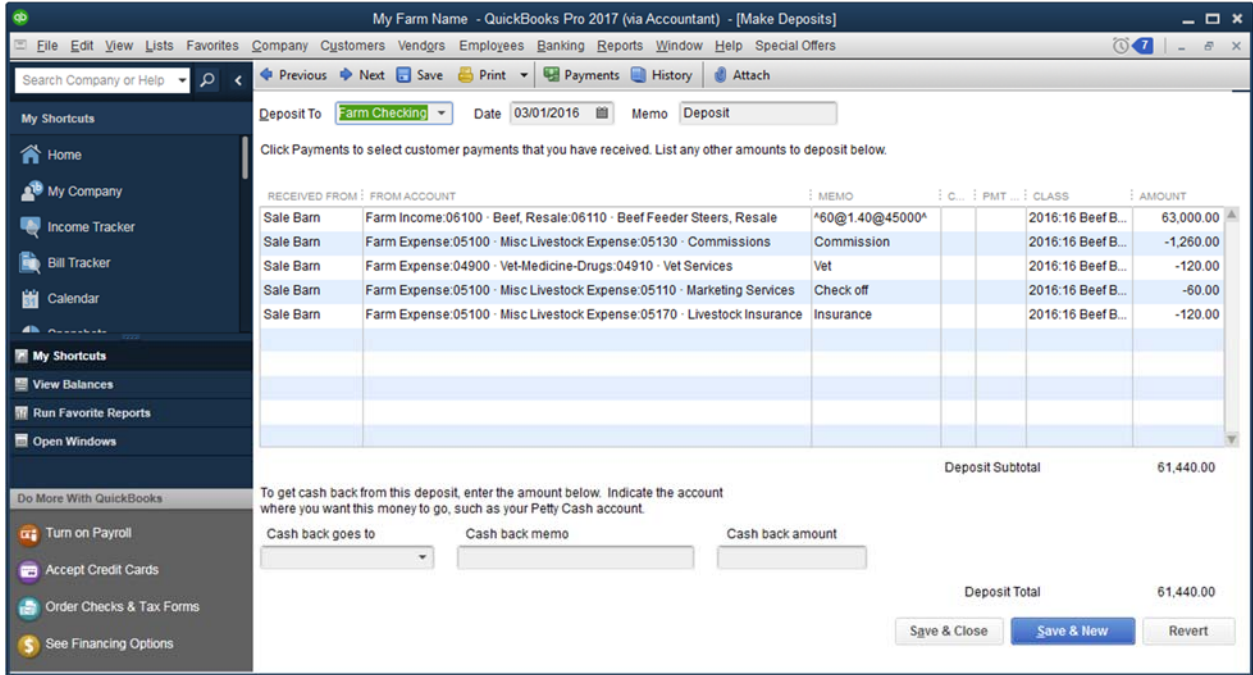
**^units@dollars per unit@total weight^**

Example: 10 steers, 550 pounds each, \$1.30 per pound

**^10@1.30@5500^**

Do not enter text, including "\$" or "lbs"

## 4.8 RESALE MARKET LIVESTOCK SALES



If a sale includes deductions such as commission, insurance, check off fees, veterinary, or yardage, enter these as negative amounts on the deposit. Enter deductions using the following suggested ATIG codes:

Commissions, yardage, insurance, check-off	05100
Veterinary	04900
Feed	04400

If you prefer more detail, use:

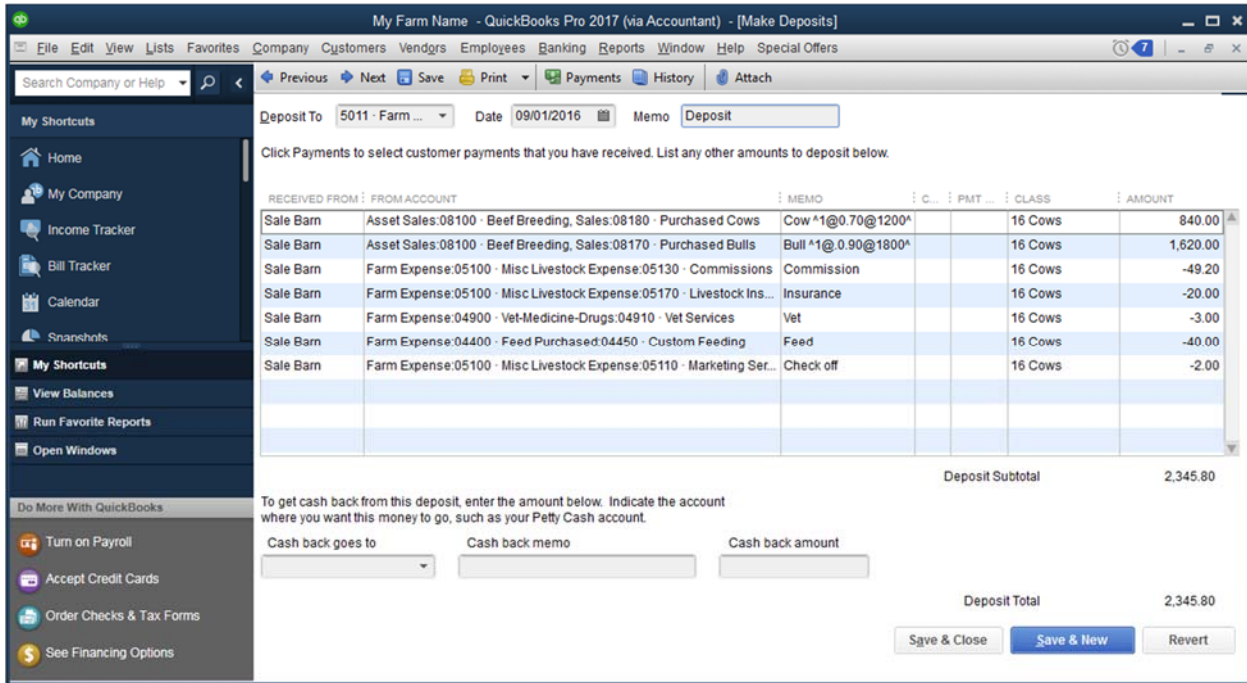
Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Check-off	05110

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the description column using the format:

*^units@dollars per unit@total weight^*  
 Example: 60 steers, 750 pounds each, \$1.40 per pound  
 ^60@1.40@45000^  
 Do not enter text, including "\$" or "lbs"

## 4.9 BREEDING LIVESTOCK SALES



If a sale includes deductions such as commission, insurance, check off fees, veterinary, or yardage, enter these as negative amounts on the deposit. Enter deductions using the following suggested ATIG codes:

Commissions, yardage, insurance, check-off	05100
Veterinary	04900
Feed	04400

If you prefer more detail, use:

Commissions	05130
Yardage	05130
Insurance	05170
Veterinary	04910
Feed	04450
Check-off	05110

If you are using classes to allocate income and expenses between enterprises, make sure you select the appropriate class in the class column.

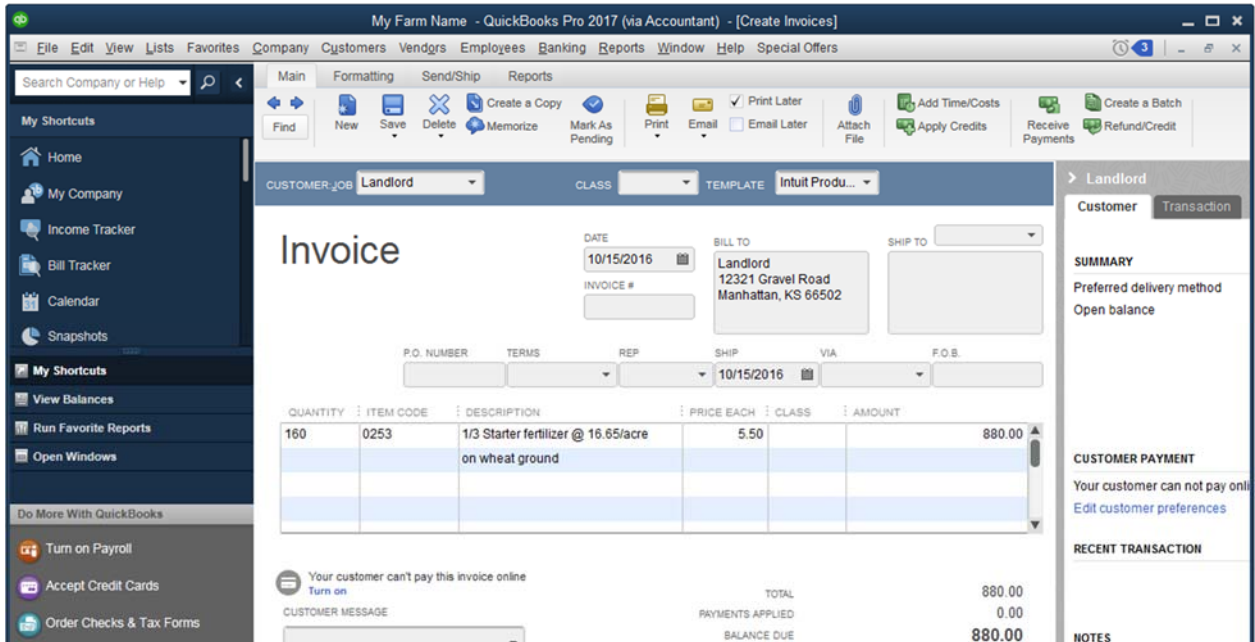
If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the description column using the format:

**^units@dollars per unit@total weight^**  
 Example:1 cow, 1200 pounds, \$0.70 per pound  
 ^1@0.70@1200^  
 Do not enter text, including "\$" or "lbs"

## 4.10 LANDLORD REFUNDS

### INVOICE

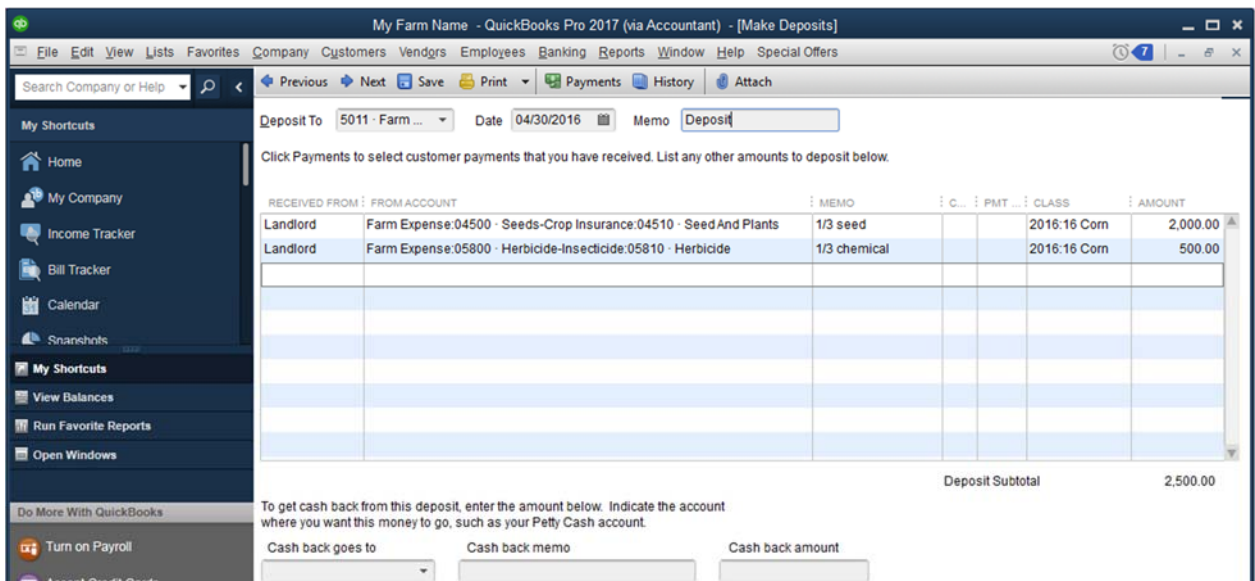
Use this method to create an invoice to send to a landlord for their share of crop inputs. When creating an invoice you may need to update the *Description* column to provide more detail. Use additional *Description* lines to provide more detail if needed.



Follow the steps in section 4.5 on page 45 to document receiving the payment and to record the deposit in a bank account.

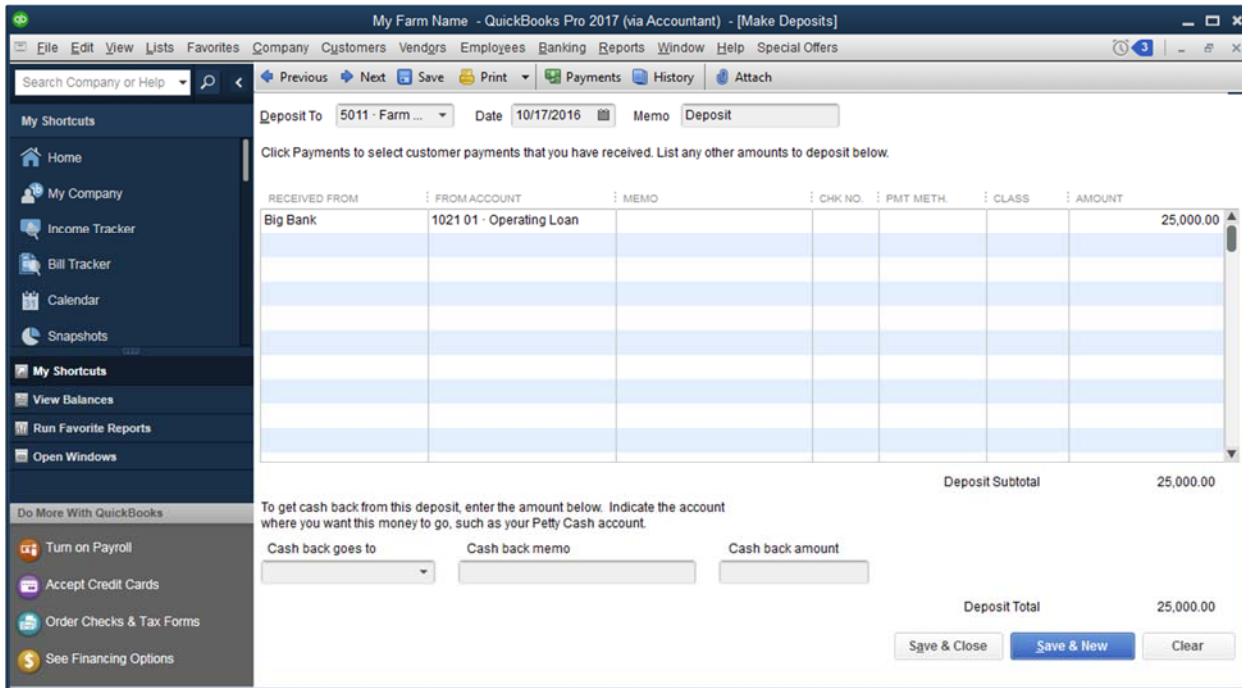
### MAKE DEPOSITS

If you do not use QuickBooks to invoice a landlord, record the deposit using negative expense account code when possible.



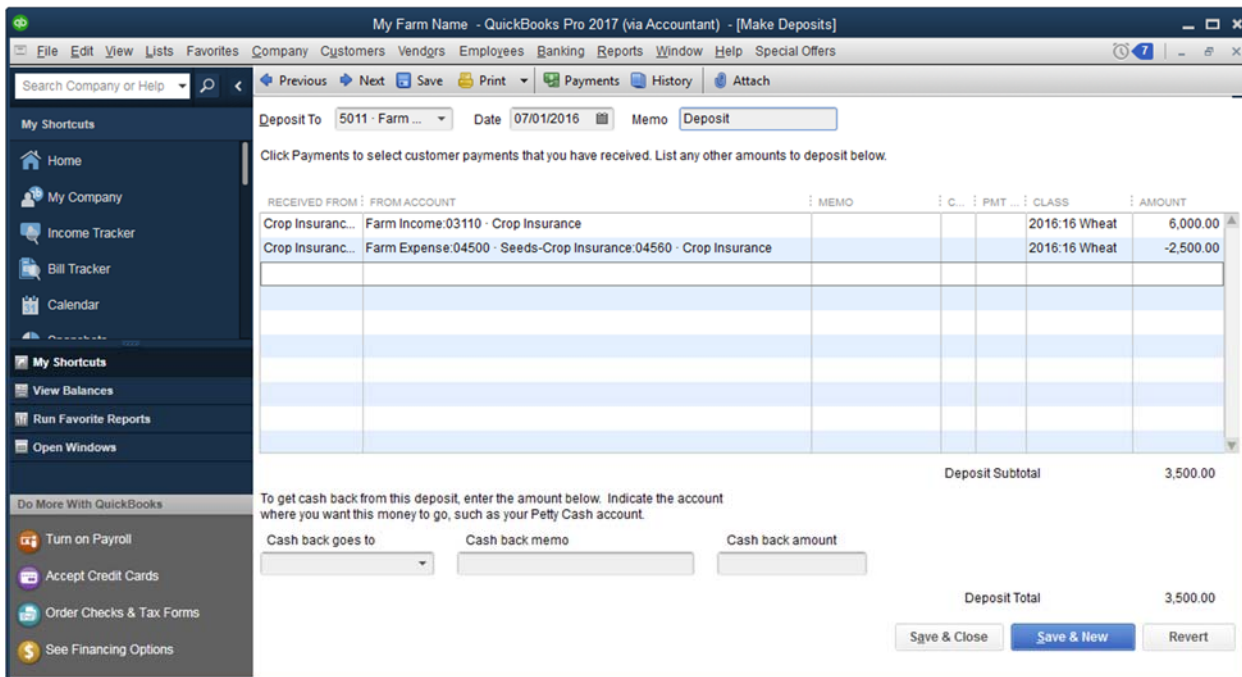
### 4.11 LOAN PROCEEDS

Record deposits from a loan using *Record Deposits*.



### 4.12 CROP INSURANCE PREMIUM WITHHELD

If premium is withheld from a crop insurance indemnity payment, enter the full indemnity payment as a positive amount. On an additional line, enter the premium withheld as a negative number. The net deposit should equal the amount of the check received.



### 4.13 DEFERRED PATRONAGE

Before entering a deferred patronage transaction, you must have a Coop deferred patronage account (1068) setup in your chart of accounts. See page 28 for more information.

STATEMENT OF PATRONAGE REFUND and EQUITY DISPOSITION

PATRONAGE YEAR ENDING: 2015 PATRON ID: 222-22-2222 NAME: My Farm Name CHECK NO. 1482

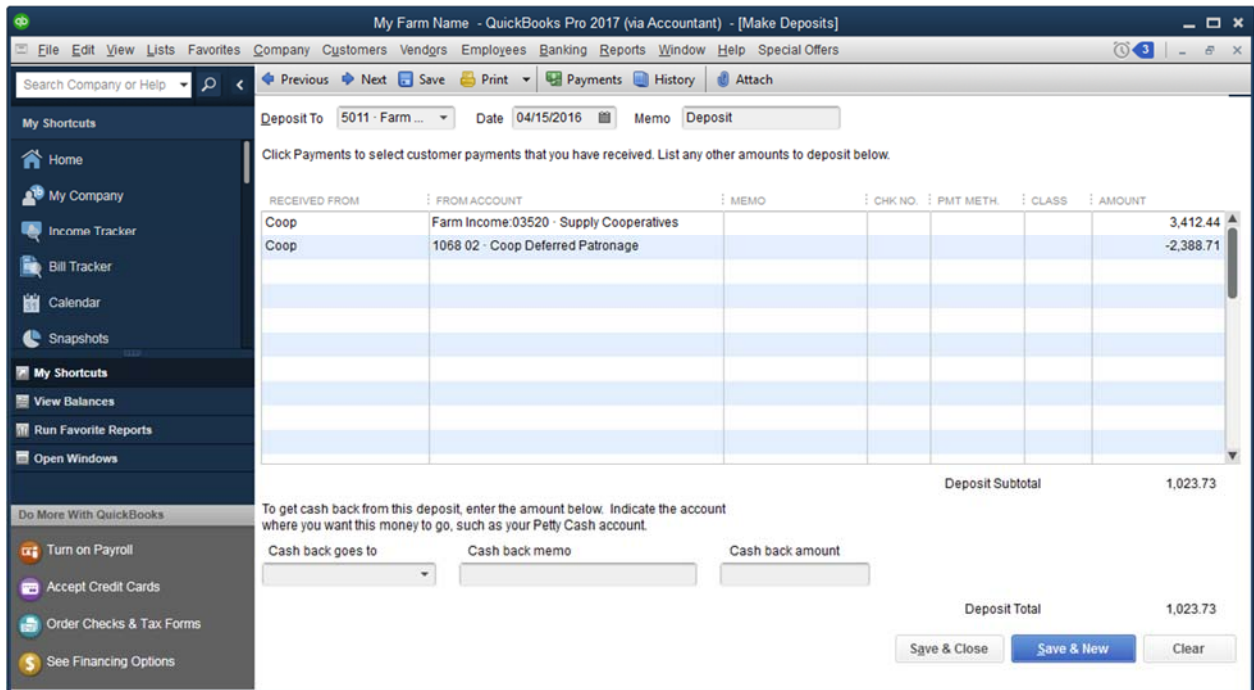
PATRONAGE REFUND CALCULATION				DISPOSITION OF EQUITY			
BUSINESS	DESCRIPTION	RATE	REFUND	DESCRIPTION	PREVIOUS BALANCE	DISPOSITION	NEW BALANCE
16,353.53	FERTILIZER \$	5.46	892.90	COMMON STCK	1000.00	00	1000.00
34,694.30	MERCHANDISE	4.87	1689.61	PPD COM STK	00	00	00
00	PETROLEUM GALLONS	6.13	00	DEFRRD PATR	8517.57	2388.71	10906.28
7,443.30	GRAIN BU PURCHASD	11.15	829.93	PARTIC STOK	00	00	00
				PPD PARTIC	00	00	00
				DFR PARTIC	00	00	00
				P/U RETAIN	00	00	00

	DATE PREPARED	TOTALS →	REFUND	- CASH	=DISPOSITIONS	+ PREVIOUS BALANCE	= NEW BALANCE
	4/10/2016		3,412.44	1,023.73	2,388.71	9,517.57	11,906.28

DETACH HERE AND KEEP FOR YOUR RECORDS

The full patronage refund is entered on the first line. The amount of the patronage that is deferred is entered on the second line, as a negative value. The full patronage amount (the taxable amount) will be reflected on any profit and loss reports. Entering the deferred patronage amount as a negative will result in an increase in assets on the balance sheet. The *Deposit Subtotal* should equal the cash portion of the patronage refund.



### 4.14 DEFERRED PATRONAGE RETIREMENT


Some cooperatives will pay out deferred patronage when patrons reach a certain age. In most cases, these payouts are non-taxable as taxes were paid when patronage was deferred.

STATEMENT OF PATRONAGE REFUND and EQUITY DISPOSITION

PATRONAGE YEAR ENDING: 2015      PATRON ID: 222-22-2222      NAME: My Farm Name      CHECK NO. 1482

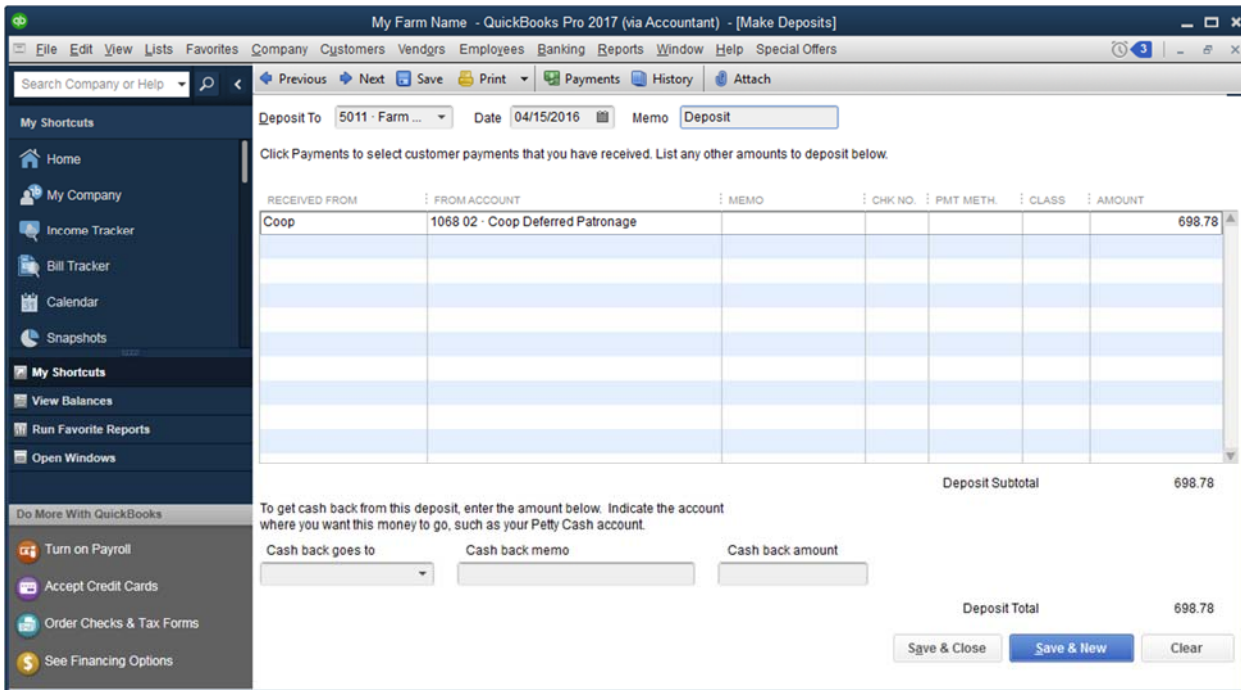
PATRONAGE REFUND CALCULATION				DISPOSITION OF EQUITY			
BUSINESS	DESCRIPTION	RATE	REFUND	DESCRIPTION	PREVIOUS BALANCE	DISPOSITION	NEW BALANCE
				COMMON STCK	1000.00		1000.00
				PPD COM STK	00.00		00.00
				DEFRRD PATR	10906.28	-698.78	10207.50
				PARTIC STOK	00.00		00.00
				PPD PARTIC	00.00		00.00
				DFR PARTIC	00.00		00.00
				P/U RETAIN	00.00		00.00

	DATE PREPARED	TOTALS →	REFUND	- CASH	=DISPOSITIONS	+ PREVIOUS BALANCE	= NEW BALANCE
	4/10/2016		0.00	698.78	-698.78	11,906.28	11,207.50

DETACH HERE AND KEEP FOR YOUR RECORDS      CHECK ATTACHED

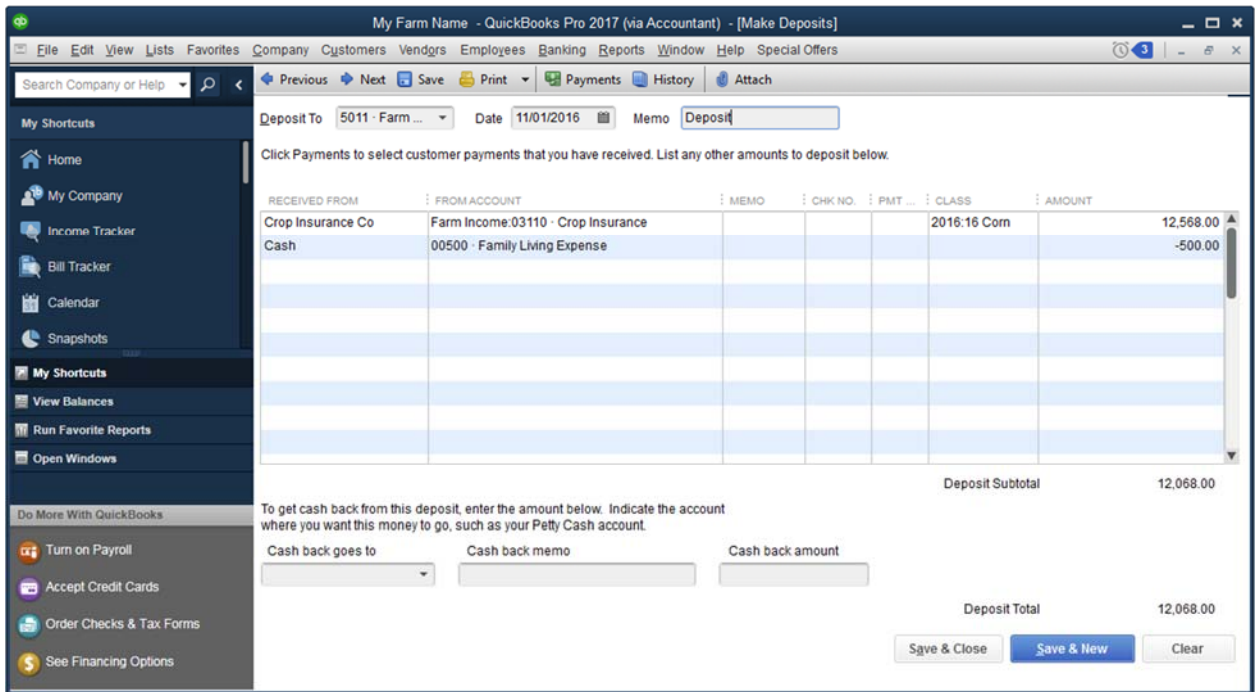
By selecting a balance sheet account (1068 02 Coop Deferred Patronage in this case), the refund will decrease the balance in that account but the proceeds will not be reflected on any profit and loss reports.



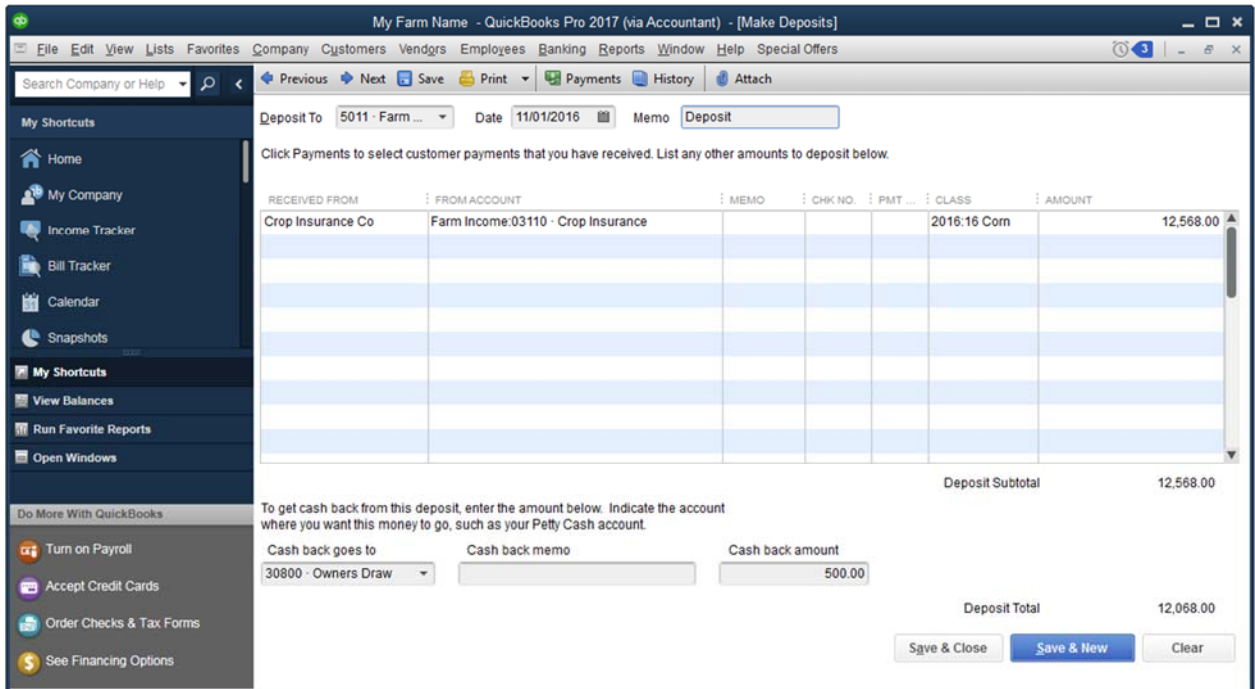


### 4.15 CASH WITHHELD FROM DEPOSITS

Add an additional line (with a negative amount) to the deposit slip. Use a family living code for the withdrawal.



If you use the *Cash Back Goes To* section at the bottom of a *Make Deposits* window, you must select an equity account (like Owner Draws) You cannot select an expense account so the amount withheld will not show up on a profit and loss report.

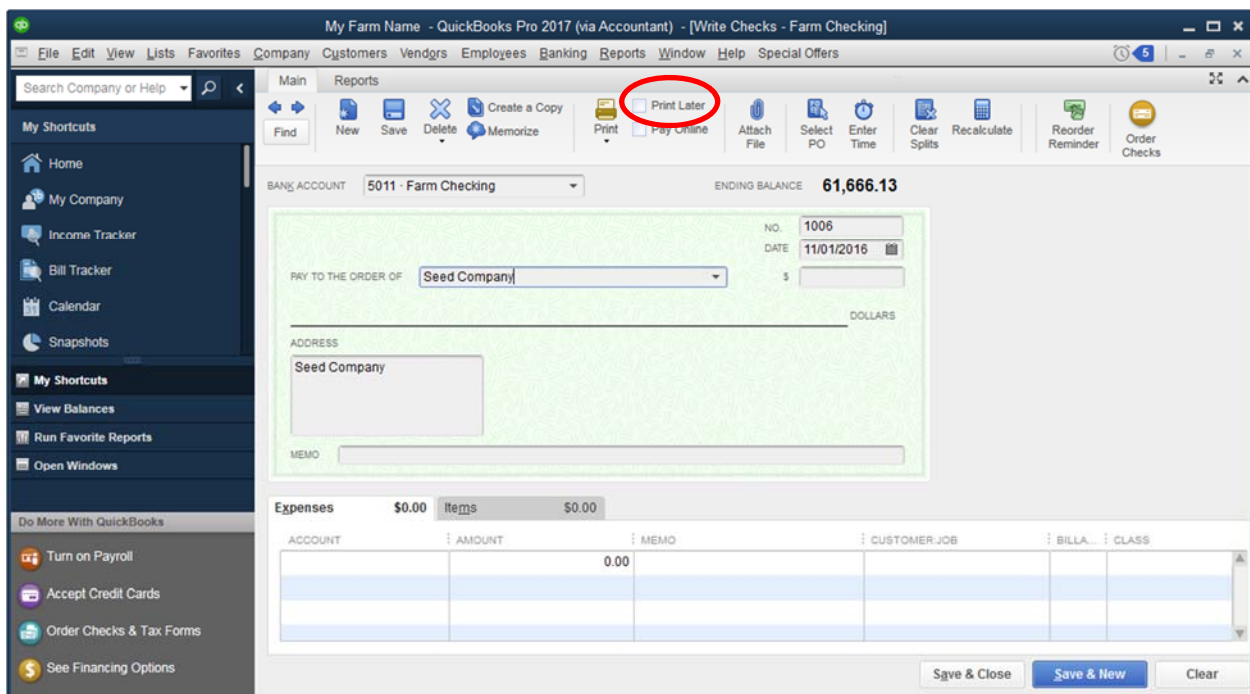


## 5 RECORDING EXPENSES

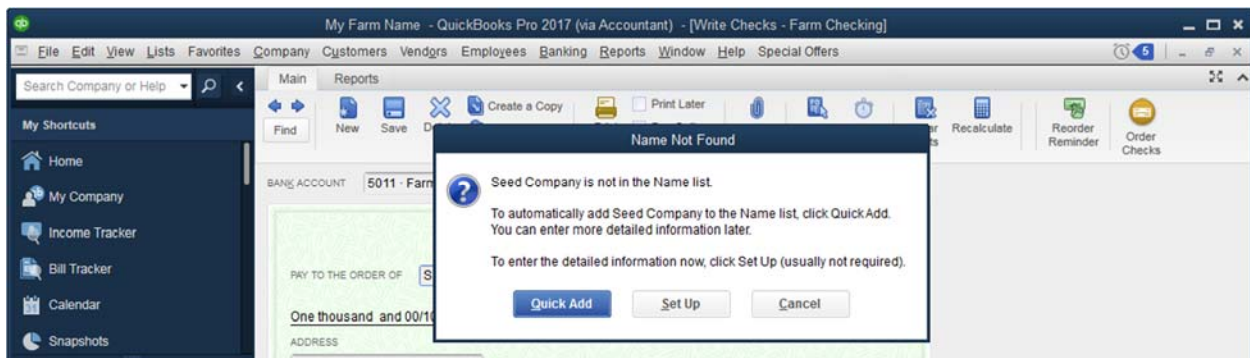
### 5.1 WRITE CHECKS

The *Write Checks* window is just as it sounds. *Write Checks* can be used to record a transaction that has already occurred (a hand written check) or to code expenses on a check you will print from QuickBooks. Printing checks from QuickBooks is a very handy feature. See page 65.

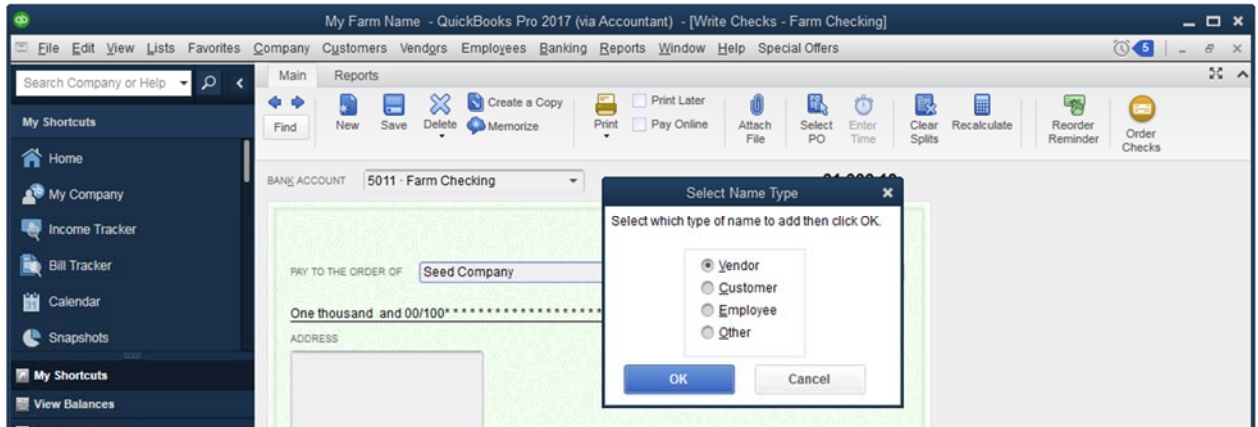
1. On the *Home Screen*, click on *Write Checks*.
2. If you are printing checks from QuickBooks make sure that *Print Later* is checked. If you will be entering a handwritten check, uncheck *Print Later* so the check number field is available. Enter a check number (*NO.*) and *Date* and select a vendor in the *Pay to the Order of* drop down.



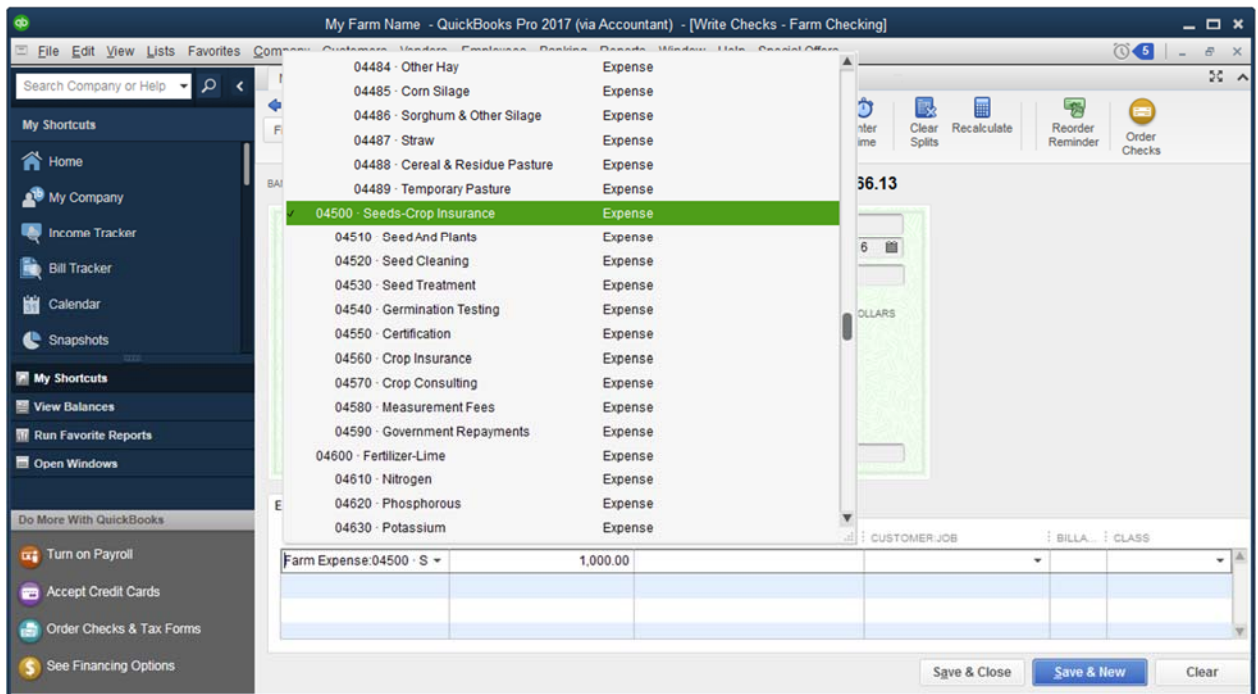
3. If you enter a name that is not in the vendor list, QuickBooks will display *Name Not Found*. Click *Set Up* to add detailed information about the vendor, including address, phone number, etc. To add the vendor quickly, without detail, click on *Quick Add*.



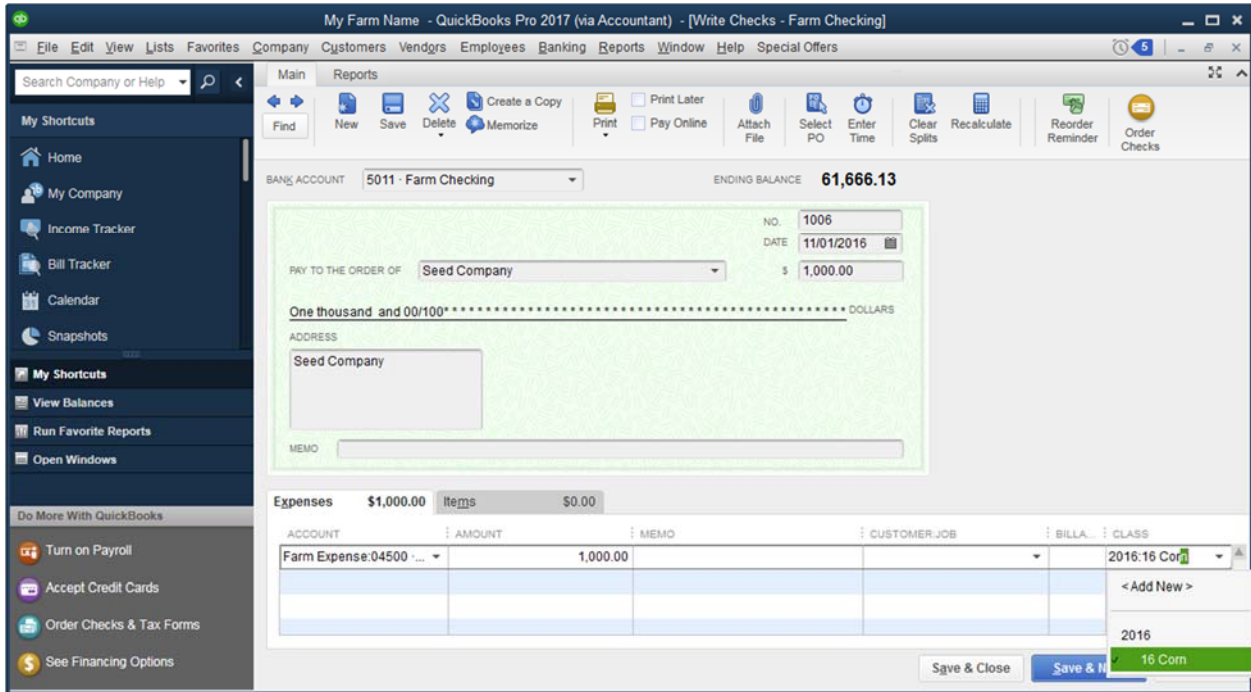
4. If you selected *Quick Add* in step 3, select *Vendor* and click *OK*.



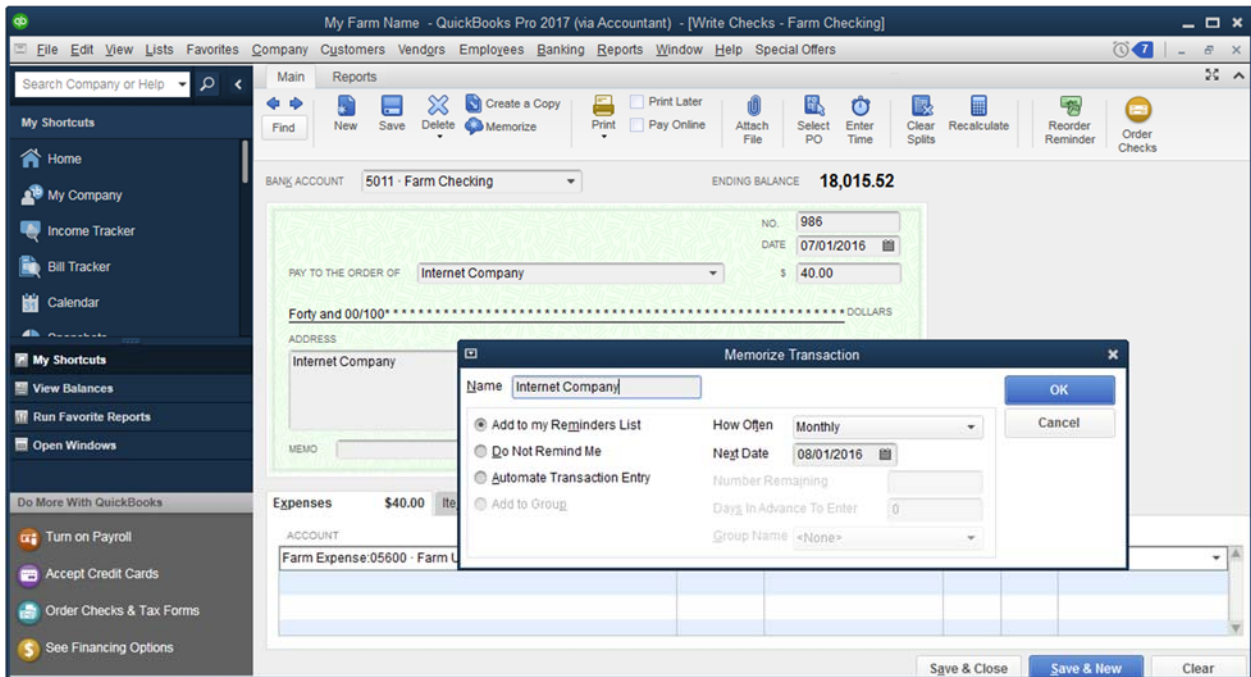
5. Enter the *Amount* of the check and click in the first row of the *Account* column. Click on the down arrow to open a list of expense accounts or start typing the account number or account name.



- Select a *Class* if the expense is a direct expense such as seed, chemical, fertilizer, cash rent, or crop insurance.



- If an expense occurs regularly, memorize a check to either remind you or automatically enter the transaction. Click on the *Memorize* button. Select a frequency and enter Next Date.

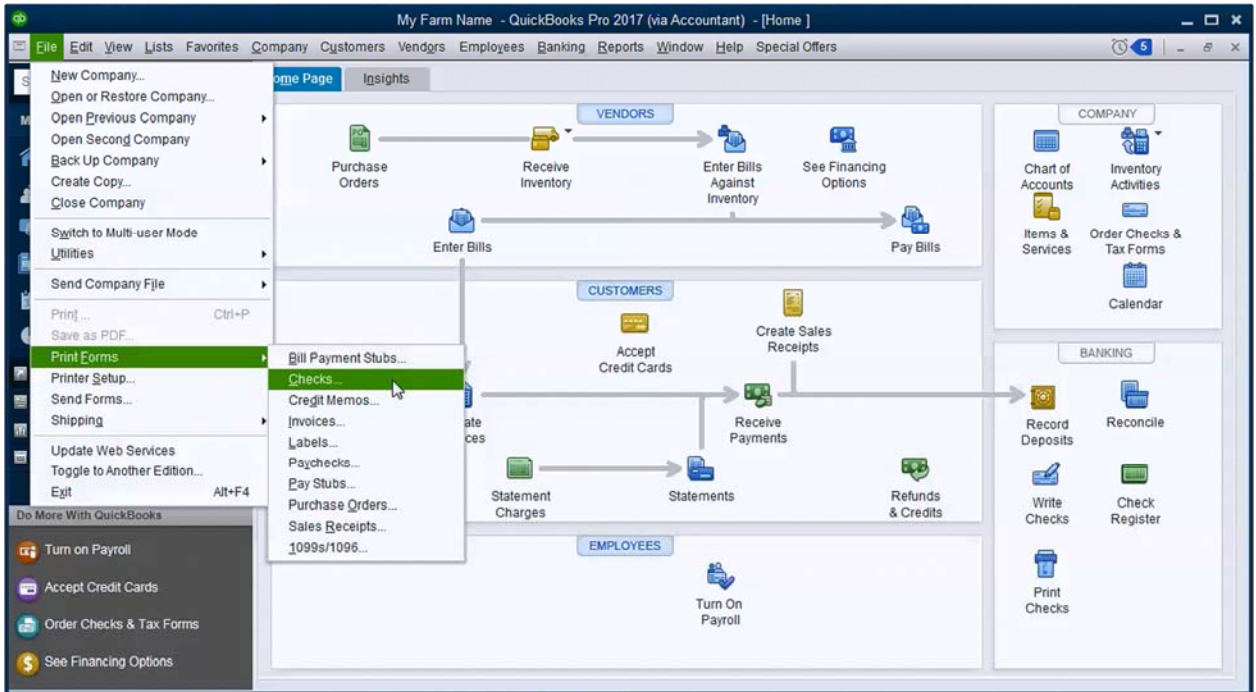


- Click *Save & Close*.

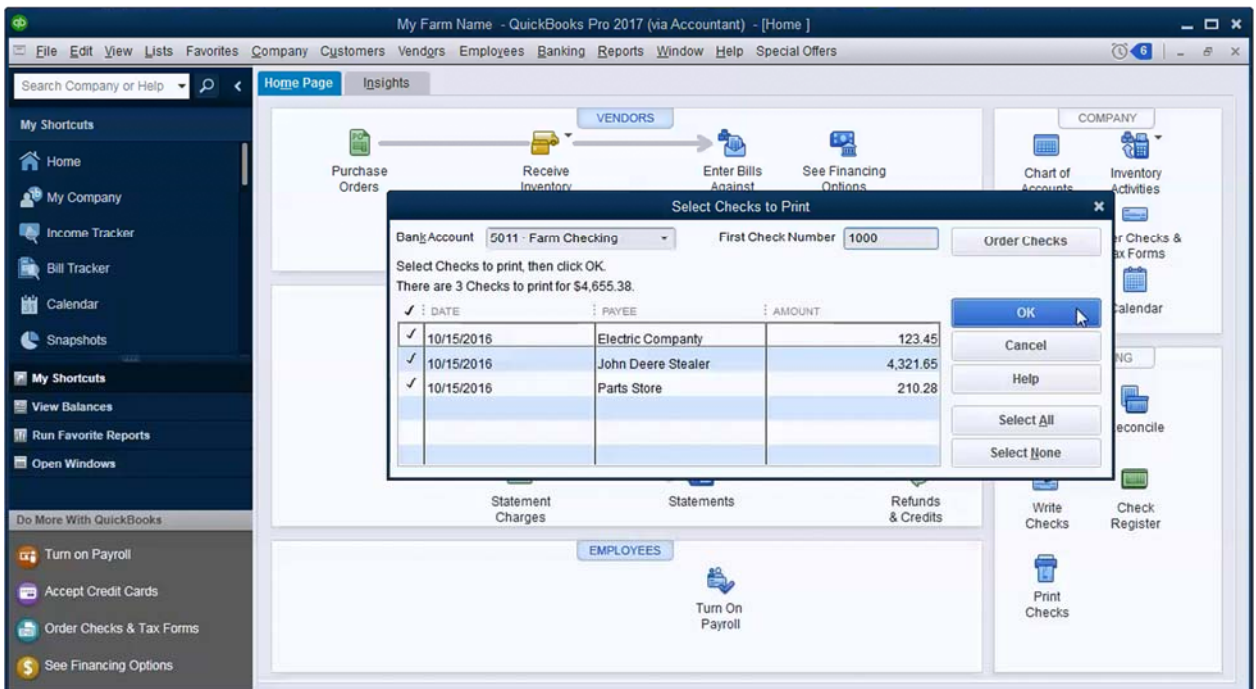
## 5.2 PRINT CHECKS

The Print Checks feature of QuickBooks allows you to enter a check to pay a bill or cover an expense at the same time that you code or categorize the expense, saving a step when compared to hand-writing a check then entering the check in QuickBooks.

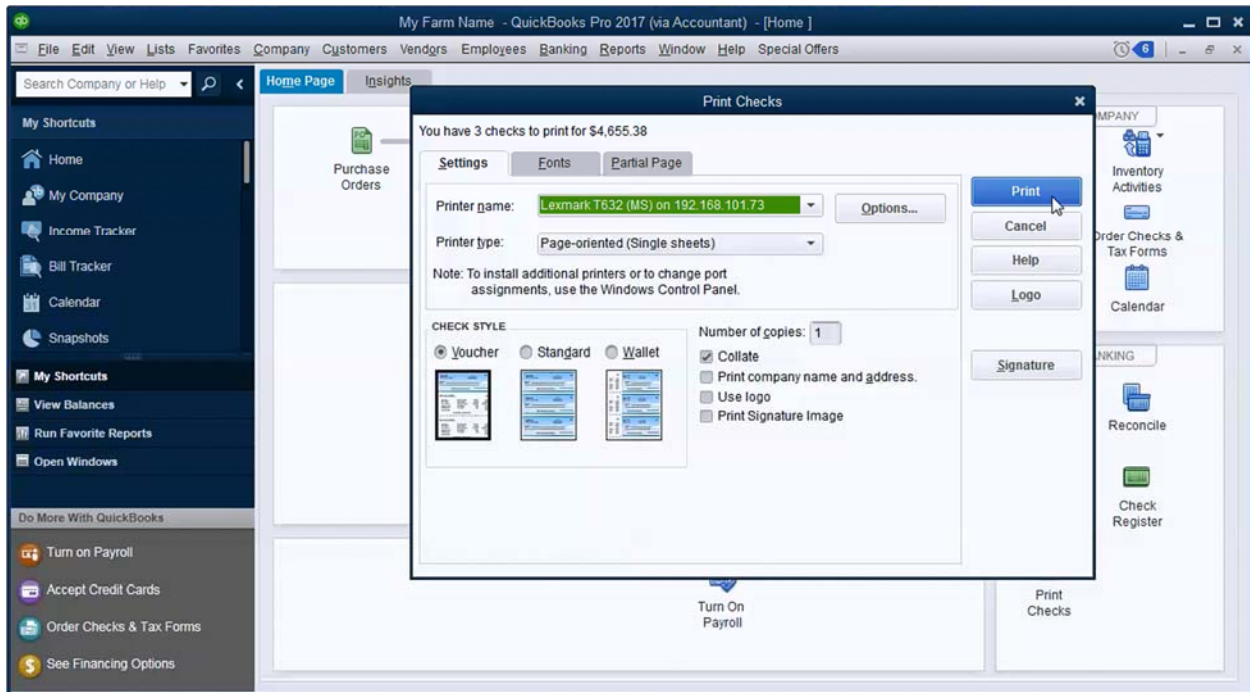
1. If you have marked checks or bill payments to *Print Later* and would like to print them, from the *File* menu select *Print Forms>Checks...*



2. In the *Select Checks to Print* window, enter the *First Check Number* and Click *OK* to begin printing.



3. Select your printer and appropriate *Check Style*. Click *Print*. Click *OK* if all checks printed correctly.



### 5.3 BILLS

Accounts payable is an essential part of an accrual accounting system. The Bills feature of QuickBooks is the foundation of accounts payable. It allows you to keep track of who you owe, how much you owe and can remind you when bills are due.

Using bills adds an extra step when compared to simply writing a check as you will need to enter a bill as well as enter a bill payment when the bill is due. Be aware that in order to take full advantage of bills and accounts payable, you should plan on spending a little time every day (or every few days), opening mail and entering bills in QuickBooks.

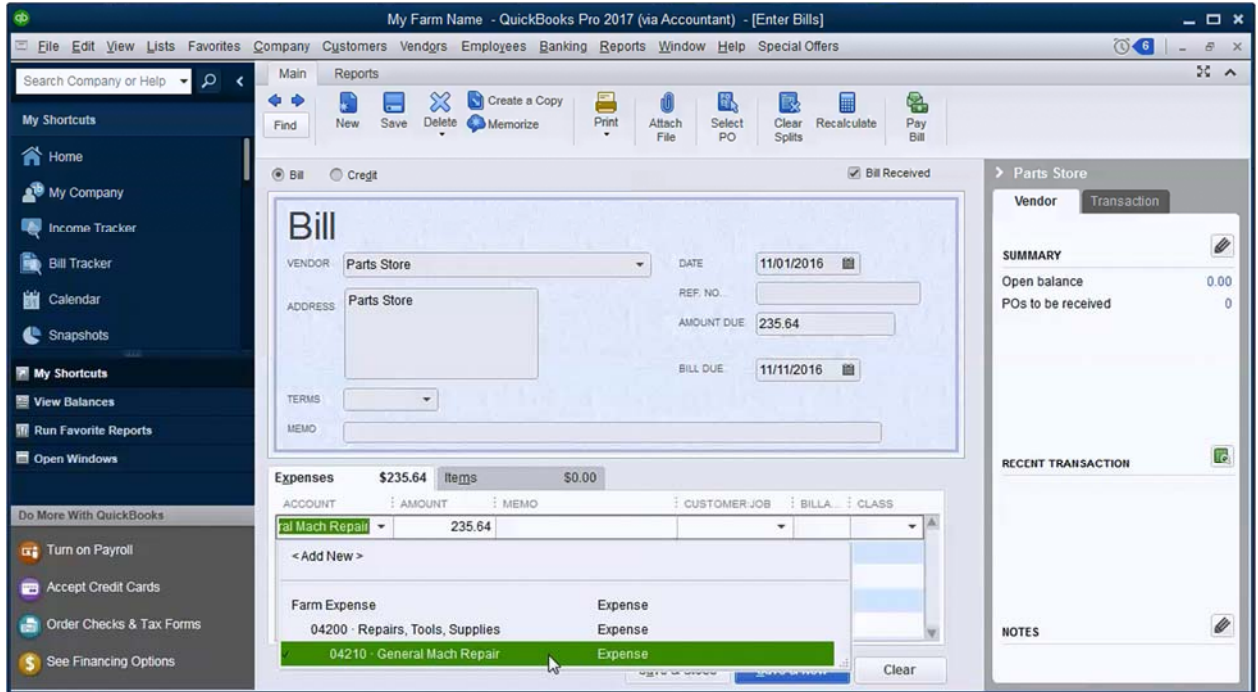
This effort can pay off in several ways. First, if you are printing check from QuickBooks the bill payment process goes very quickly after entering bills. Second, you will be able to better project short term cash flow which helps you plan sales or estimate borrowing needs. Finally, QuickBooks can remind you of upcoming bill due dates so you are less likely to pay a bill late or forget one entirely.

If you don't have the time to commit or don't see a high volume of bills, don't worry. Using the bills feature is optional. You can easily enter a check or credit card transaction as an alternative.

Purchase orders are closely connected to bills. They are often used when purchasing items that are tracked in inventory to resell. The ability to use purchase orders is automatically turned on when preferences are set to track inventory. Most farms won't need to use purchase orders, so they will not be covered in this manual.

**ENTER A BILL**

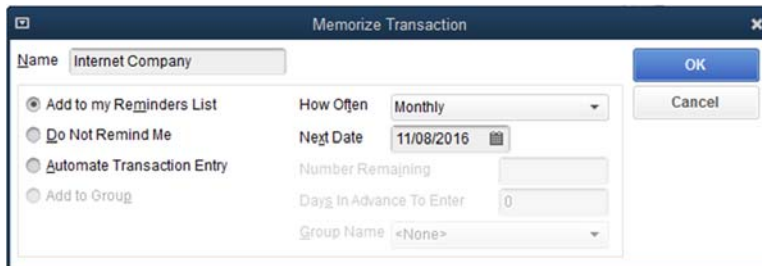
1. From the *Home Screen*, click on *Enter Bills*.
2. Select the *Vendor*. Enter the *Date* the bill was received as well as the *Amount Due* and *Due Date*. For most bills, you will use the *Expenses* tab to enter details from the bill. You can enter multiple lines of detail.



3. Click *Save & Close*.

**MEMORIZE A BILL**

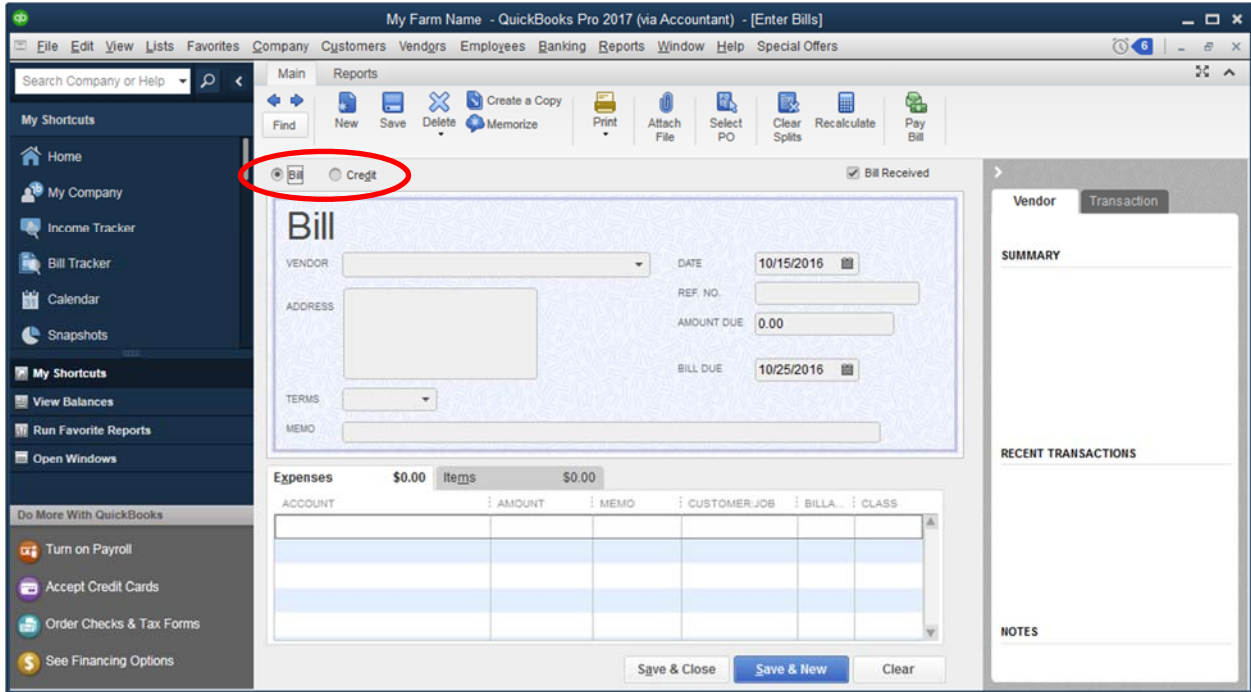
If you receive a bill that is due the same time every month and is for the same amount every month, you can memorize the bill to save time in the future. Click on the *Memorize* button at the top of the *Enter Bills* window. In the *Memorize Transaction* window, select *Add to my Reminders List* and QuickBooks will remind you when the next bill date is approaching. Select a payment frequency in *How Often* and enter the *Next Date*.



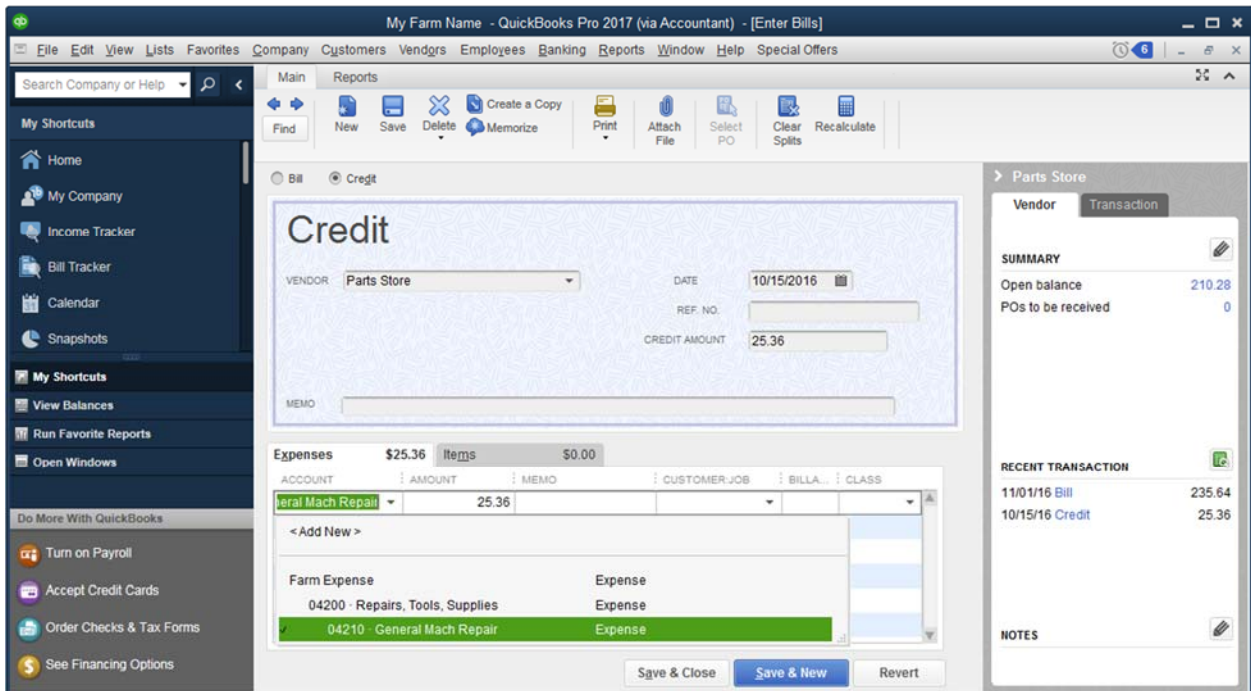
**ENTER A CREDIT**

Use a credit when you return a purchase to a vendor and they apply the return to your account.

1. From the *Home Screen*, click on *Enter Bills*.
2. Select *Credit* in the upper left portion of the *Enter Bills* window.



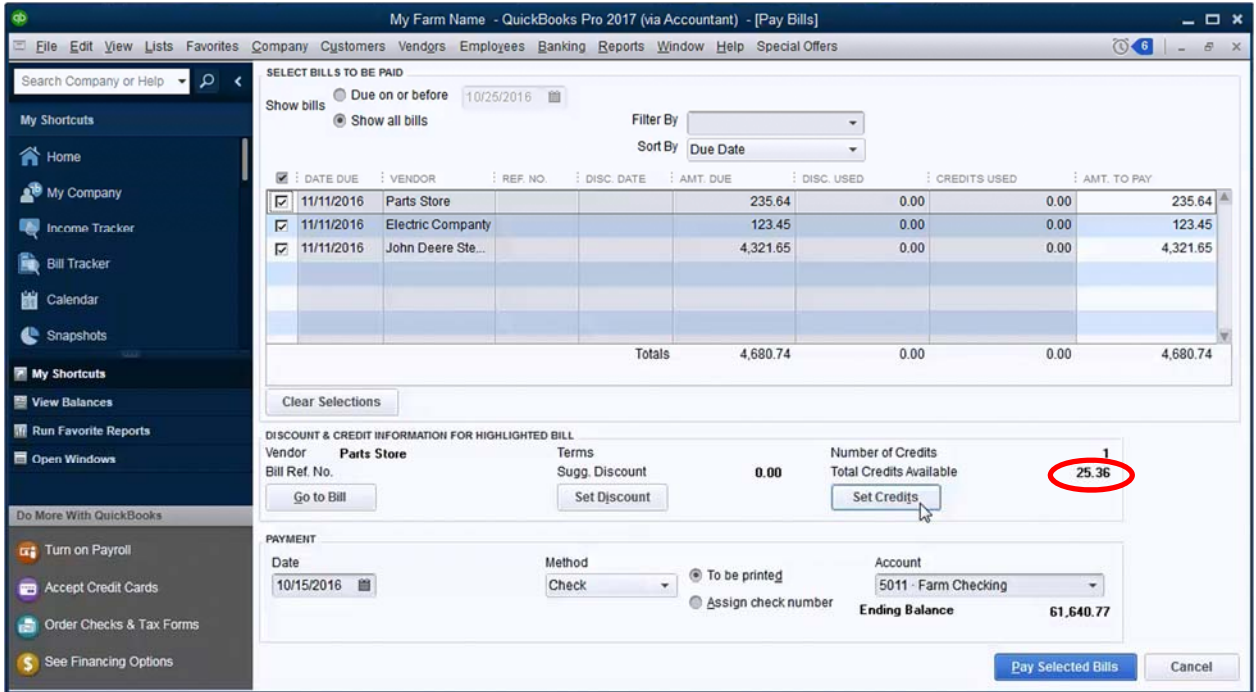
3. Select a *Vendor*. Enter the *Date* of the return and the *Credit Amount*. Select the same *Account* that was used to code the original purchase. For example, if the original purchase was coded 0421 Repairs, the return should also be coded 0421 Repairs.



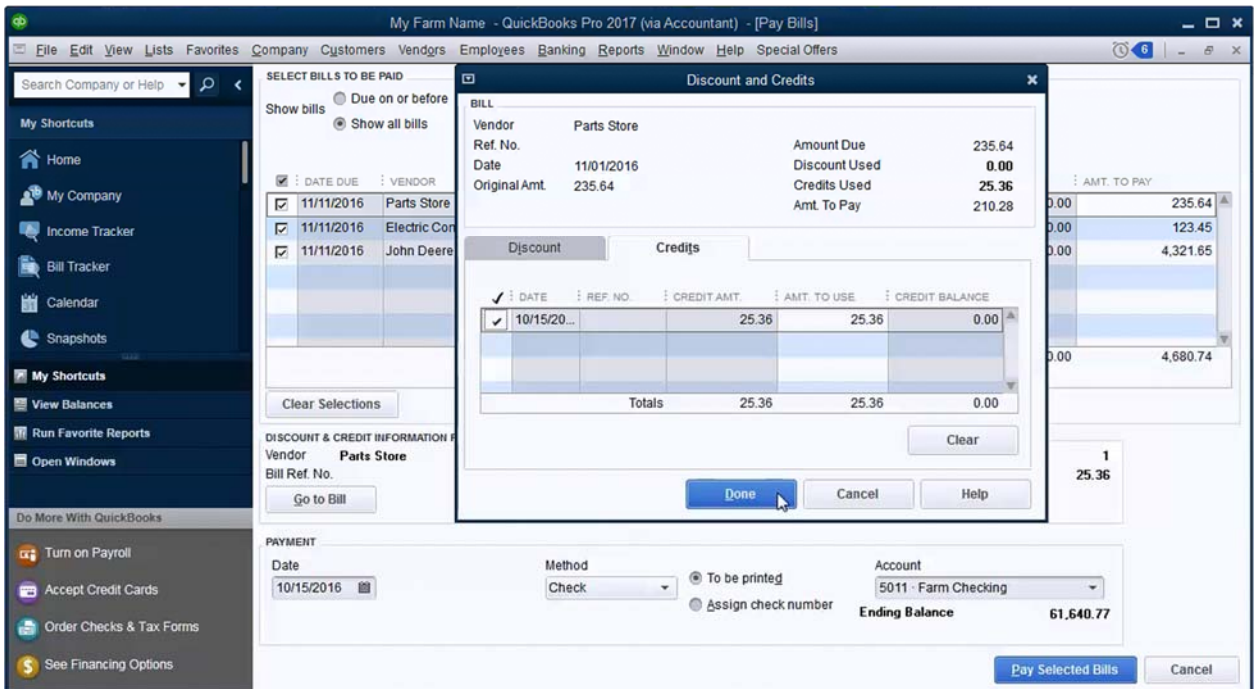


**PAY BILLS**

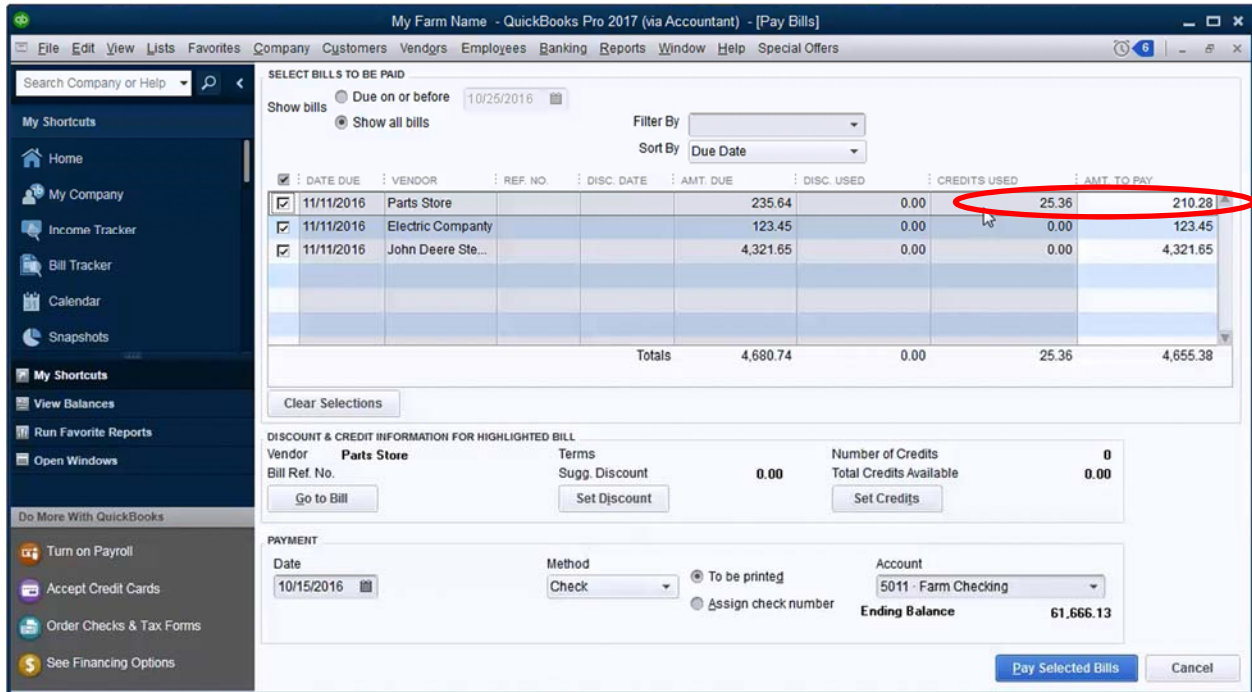
1. From the *Home Screen*, click on *Pay Bills*.
2. Several options are available at the top of the *Pay Bills* window to filter the list of bills. Place a checkmark in the left column of the bills that will be paid. If a credit is available from a vendor, it will be displayed when you click on a bill. Click *Set Credits* to apply the credits to the bill.



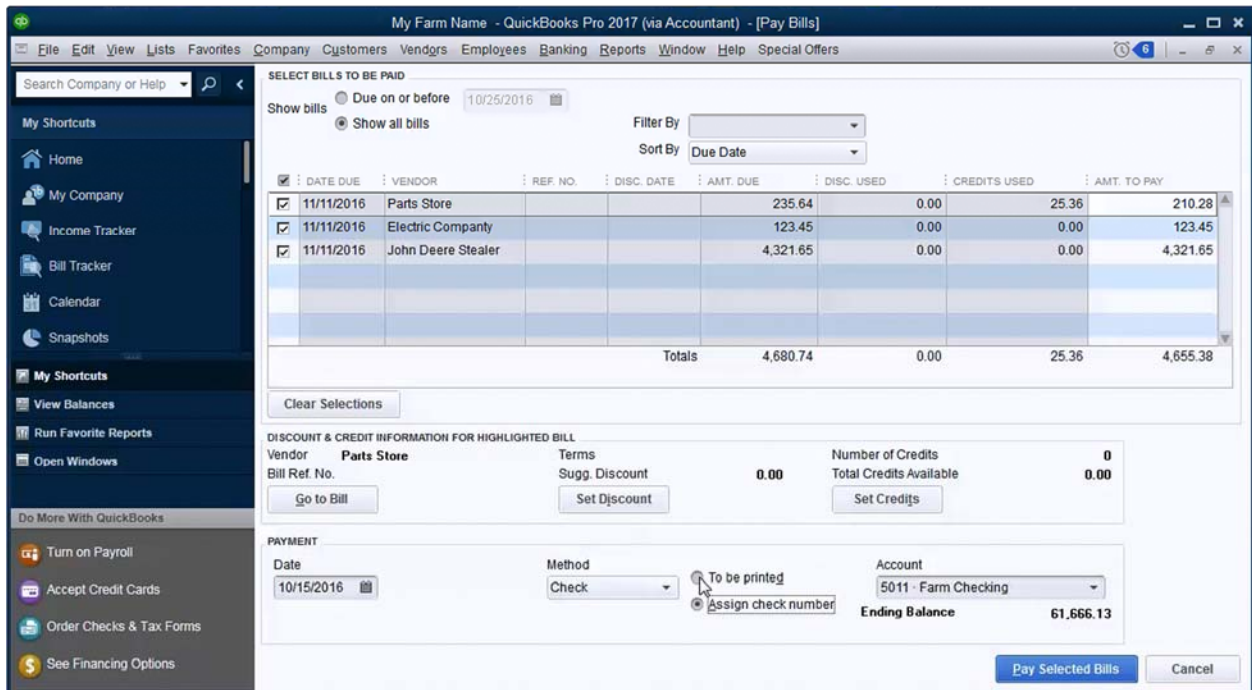
3. When the *Discounts and Credits* window opens, available credits should be automatically applied. You can choose which credits to apply by checking or unchecking in the far left column. Click *Done*.



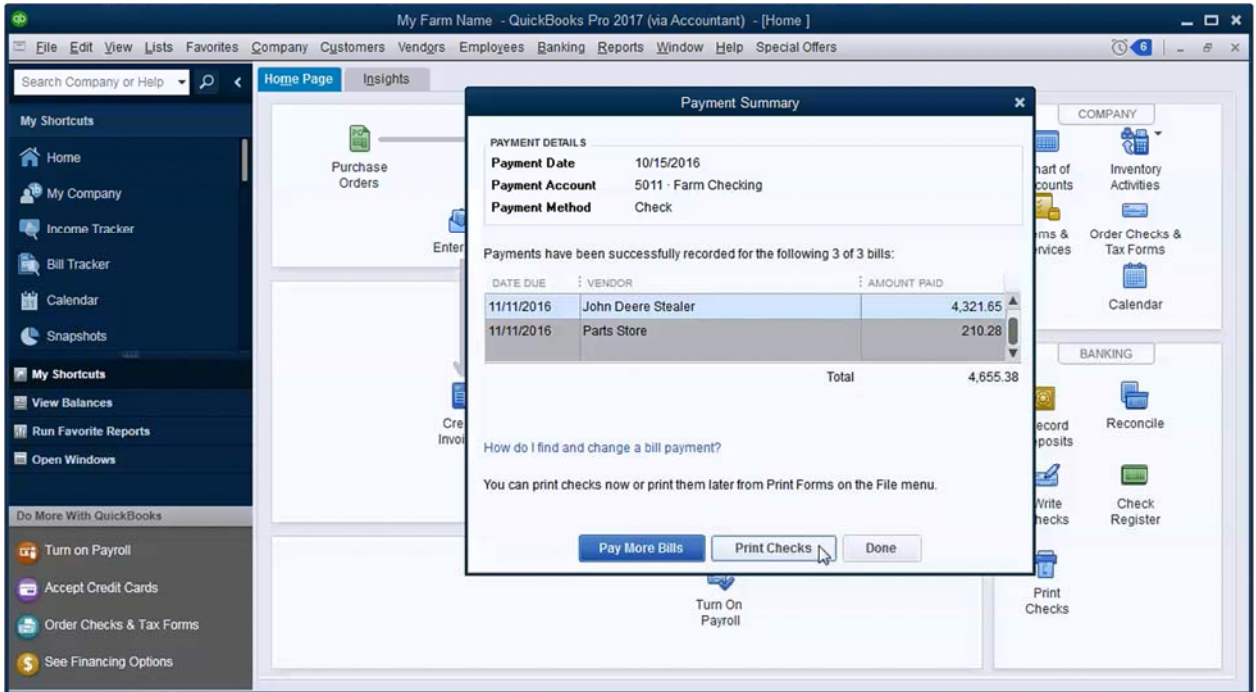
4. The *Credits Used* and *Amount to Pay* columns should reflect the applied credits.



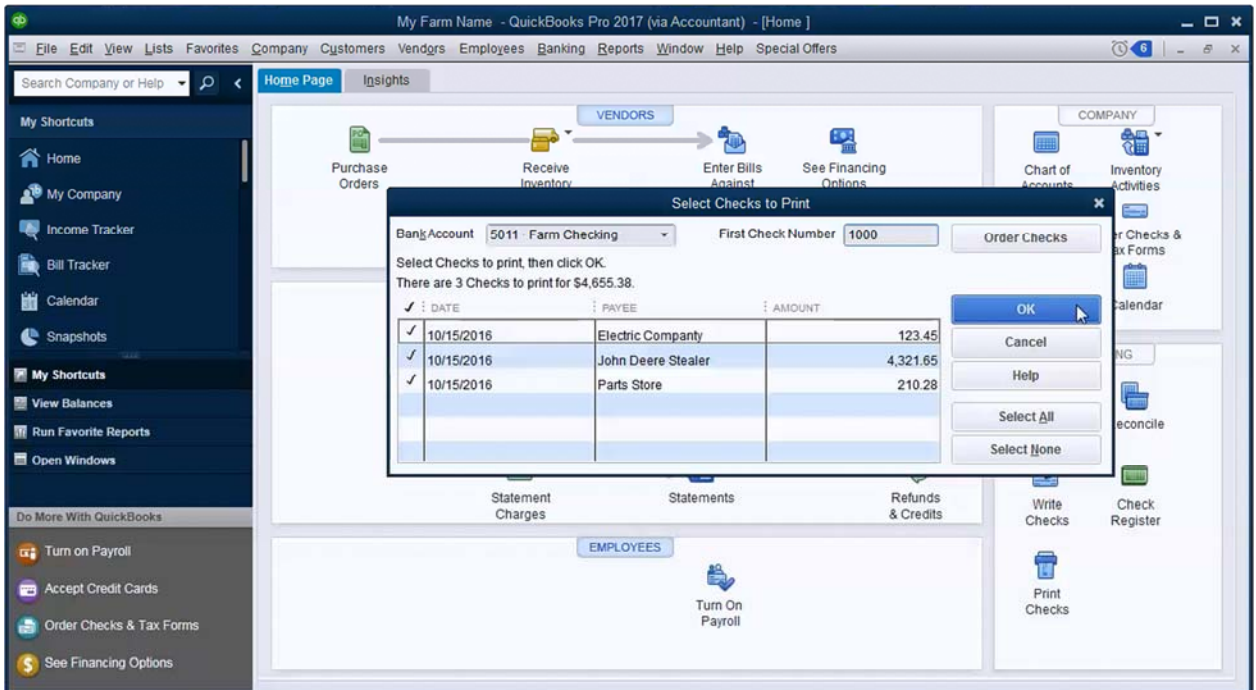
5. In the payment section, enter a *Date* and select a *Method*. If you select *Check*, select *To be printed* if you print check from QuickBooks. If you will hand write checks, select *Assign check number*. Click *Pay Selected Bills*.



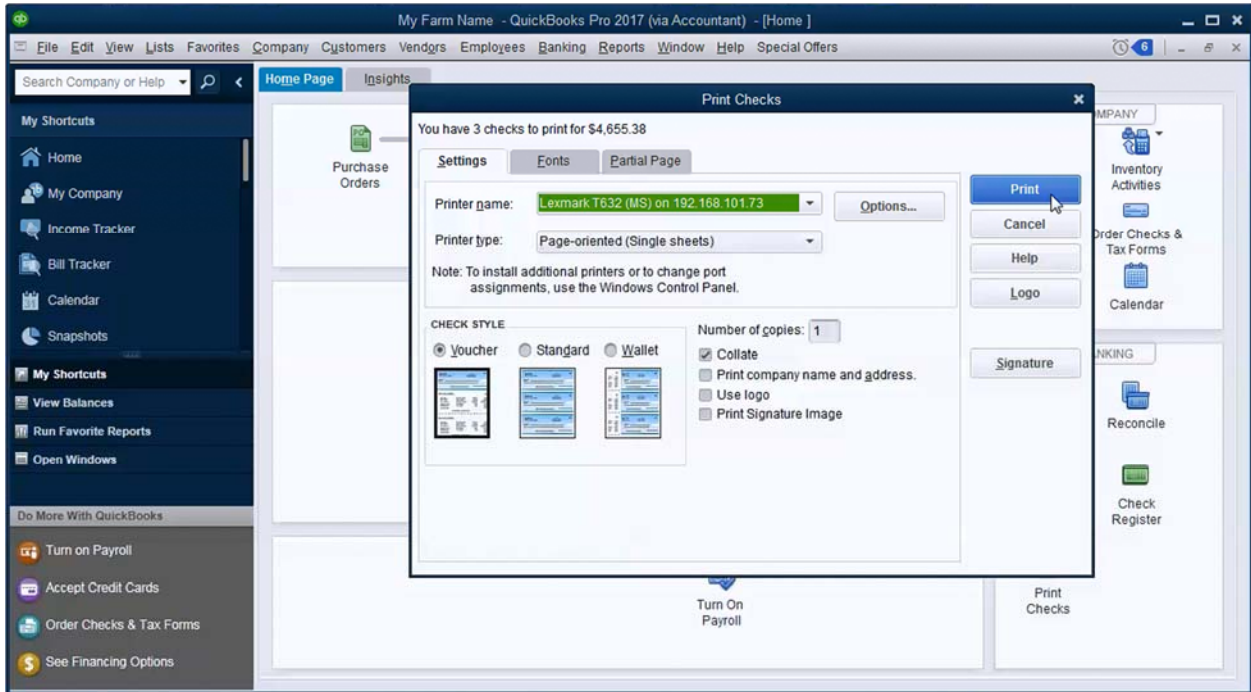
- If you selected *To be printed*, the *Payment Summary* window will open. Click *Print Checks* to proceed.



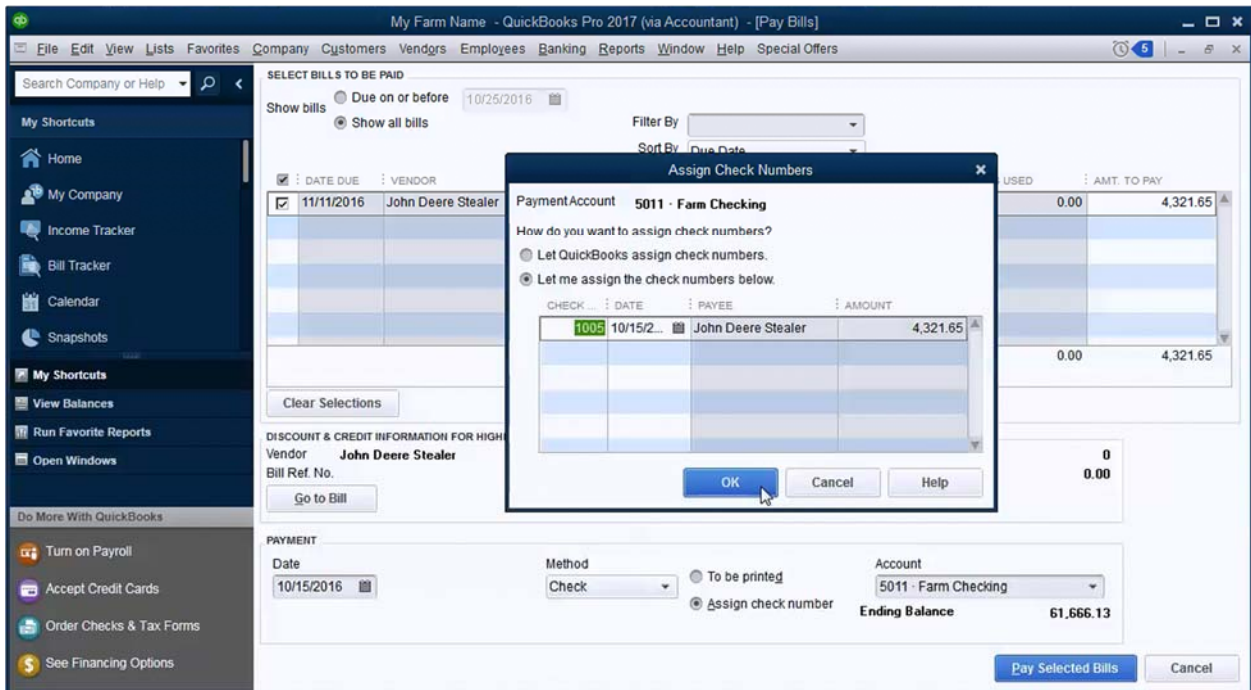
- Enter the *First Check Number* and Click *OK* to begin printing.



- Select your printer and appropriate *Check Style*. Click *Print*. Click *OK* if all checks printed correctly.



- If you selected *Assign check number* in step 5, enter a check number for each bill and click *OK*. Click *Done*.



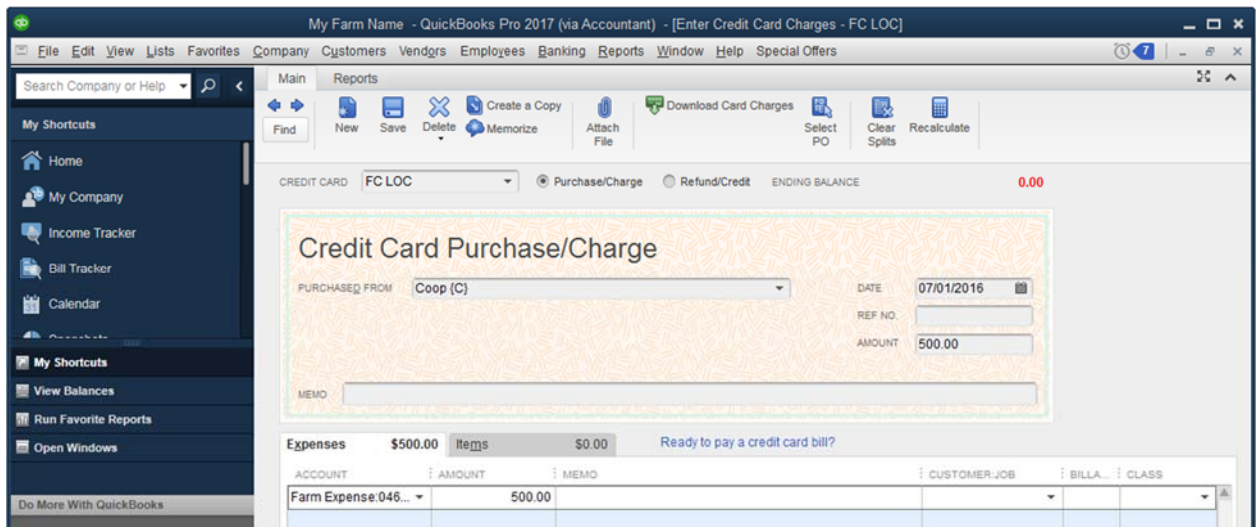
## 5.4 USING A LOAN REGISTER

Some Farm Credit operating loans are designed to be used in conjunction with a check book. When a check clears, it increases the loan balance directly.

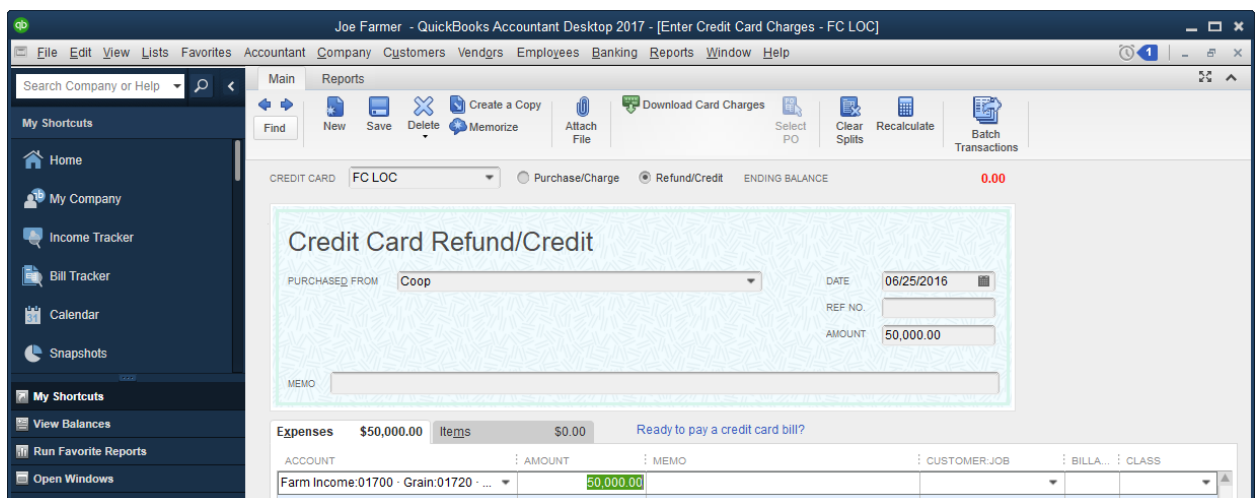
With a loan account in QuickBooks, you cannot use the Write Checks or Make Deposits windows like you can with a bank account. There are two options to work with these loans in QuickBooks.

### OPTION 1

1. Add the account as a credit card account. This allows you to use the Enter Credit Card Charges window as a way to write checks. You will be able to reconcile the account and move money from a checking account to make a payment.

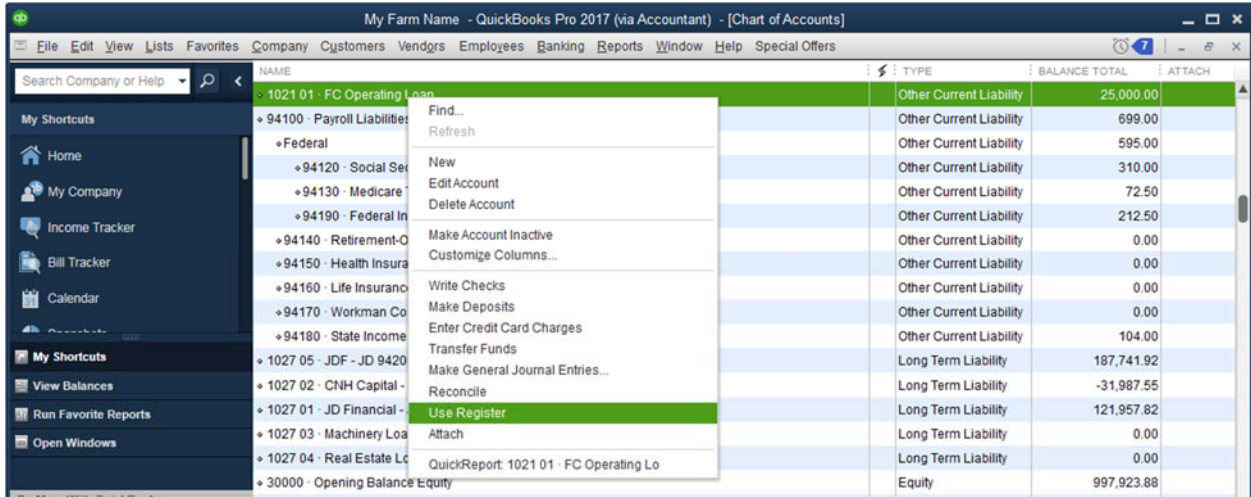


2. Deposits into a Farm Credit LOC can be made by selecting *Refund/Credit* in the *Enter Credit Card Charges* window.

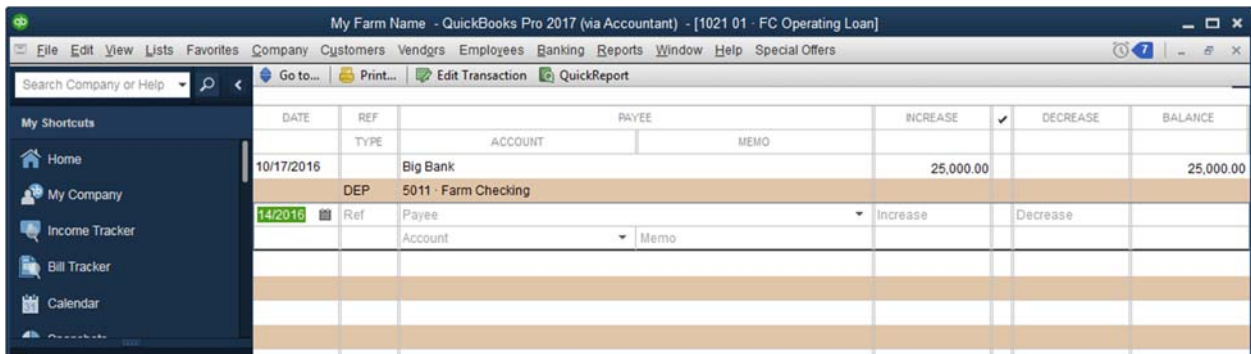


**OPTION 2**

1. Set the loan up as an Other Current Liability account. To enter transactions, you will need to use the register for the loan. In the Chart of Accounts window, right-click on the loan and select Use Register.

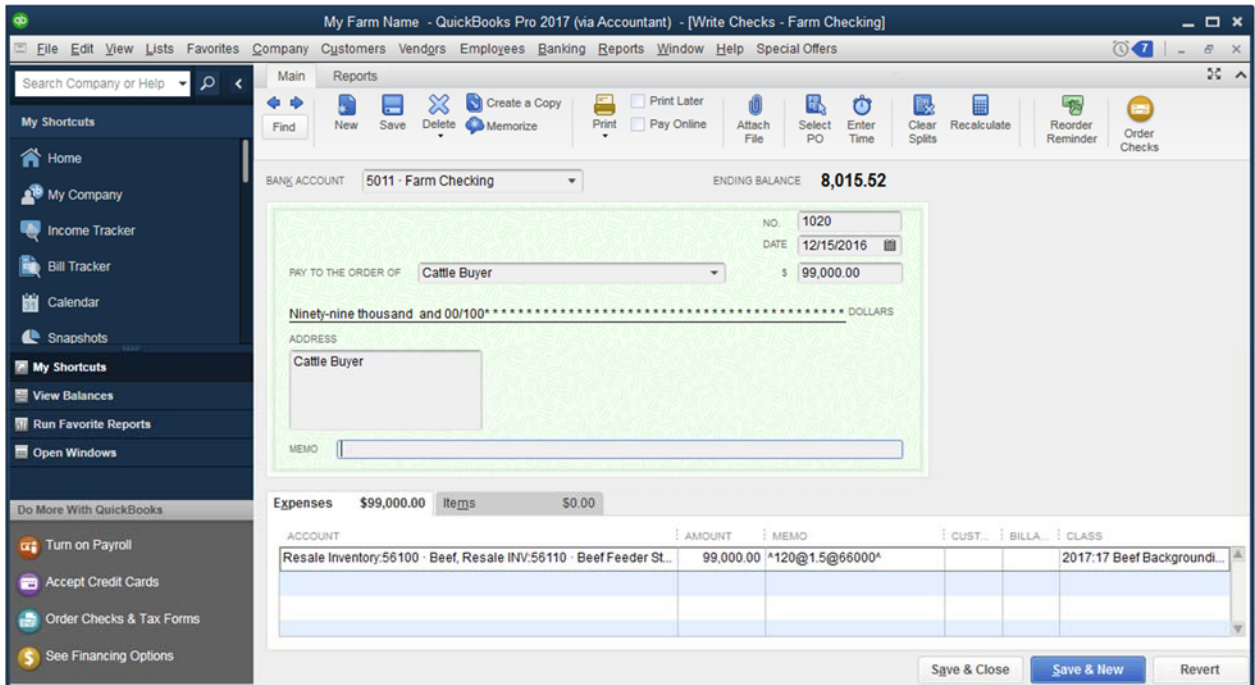


2. This allows you to enter transactions directly to the loan. A check written will increase the loan balance



## 5.5 RESALE LIVESTOCK PURCHASE

When entering a purchase of resale livestock, use an inventory account rather than a cost of goods sold (COGS) account. For example, use 56110 (Beef feeder steers) rather than 07110 (Beef feeder steers COGS).



If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the memo column using the format:

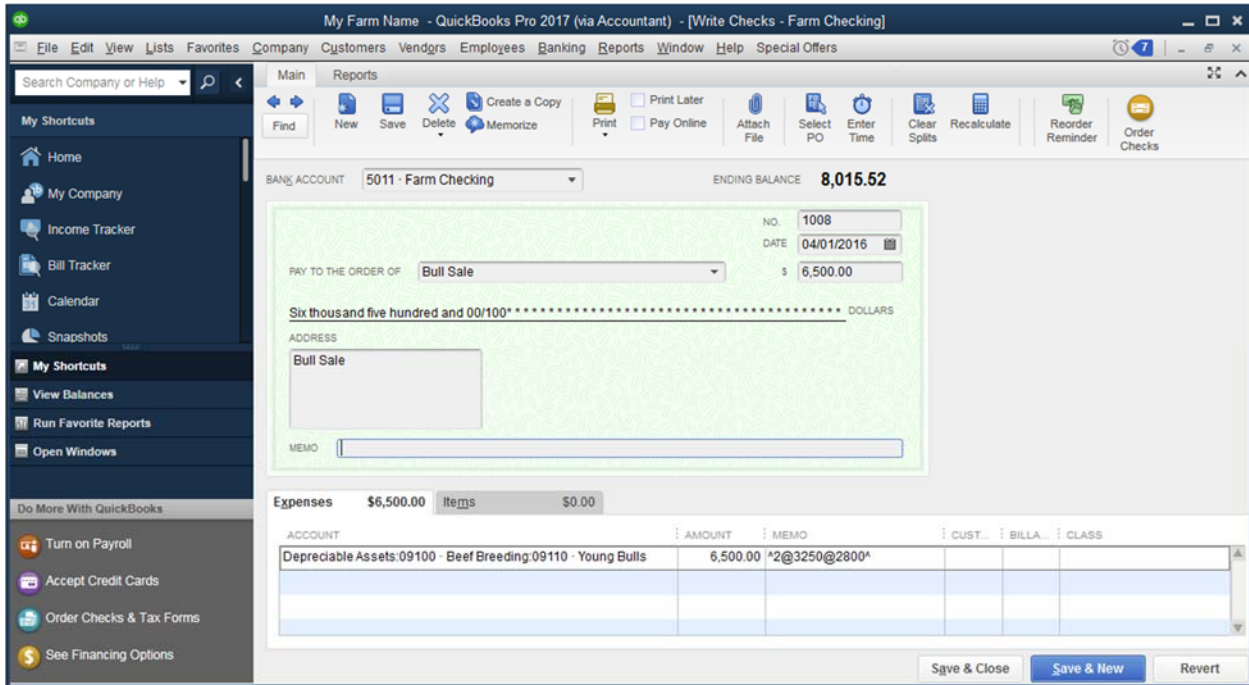
`^units@dollars per unit@total weight^`

Example: 120 steers, 550 pounds each, \$1.50 per pound

`^120@1.50@66000^`

Do not enter text, including "\$" or "lbs"

## 5.6 BREEDING LIVESTOCK PURCHASE



If you are a KFMA member, enter the quantity, dollars per unit, and total weight in the memo column using the format:

*^units@dollars per unit@total weight^*

Example: 2 bulls, 1,400 pounds each, \$3,250 each

*^2@3250@2800^*

Do not enter text, including "\$" or "lbs"



### 5.7 DEBT FINANCED CAPITAL ASSET PURCHASE

When machinery or equipment is purchased, the transaction often includes a trade-in and/or financing. Use the example below as a guide to record the purchase.

Before entering the purchase, in the chart of accounts create a new long-term loan. See page 32. DO NOT enter an opening balance.

Account Type: Long Term Liability      Number: 1027 05

---

Account Name: JDF - JD 9420R Tractor

Subaccount of: \_\_\_\_\_

OPTIONAL

Description: \_\_\_\_\_

Account No.: \_\_\_\_\_

Tag-Line Mapping: <Unassigned>      [How do I choose the right tax line?](#)

     [Should I enter an opening balance?](#)

Account is inactive           

- A. Down payment
- B. Full price of new asset (including any financing fees)
- C. Trade-in allowance on old asset
- D. Payoff of loan on old asset
- E. Interest due at payoff of loan of old asset (if interest is unknown entire payoff amount in D)
- F. Proceeds from new loan

QTY	NEW	DEMO	RENTAL	USED	PRODUCT (Give Model, Size & Description)	Hours of Use	PRODUCT IDENTIFICATION NUMBER	DELIVERED CASH PRICE (Or Total Lease Payments)
1	X				2015 JOHN DEERE 9420R 4WD Tractor			\$285,000 00 <b>B</b>
I (We) offer to sell, transfer, and convey the following item(s) at or prior to the time of delivery of the above Product, as a "trade-in" to be applied against the cash price. Such item(s) shall be free and clear of all security agreements, liens, and encumbrances at the time of transfer to you. The following is a description and the price to be allowed for each item.								
TOTAL CASH PRICE								\$285,000 00
QTY	DESCRIPTION OF TRADE-IN				Hours of Use	PRODUCT IDENTIFICATION NUMBER	AMOUNT	
1	New Holland T9.390 Tractor				2569		\$215,000 09 <b>C</b>	
1	Case IH 9180 Tractor				6522		\$30,500 00 <b>C</b>	
TOTAL TRADE-IN ALLOWANCE								\$245,500 00
PURCHASER TYPE		MARKET USE			1. TOTAL CASH-PRICE		\$285,000 00	
9 Farm		15 Row Crop/Small Grain			2. TOTAL TRADE-IN ALLOWANCE		\$245,500 00	
COMMENTS:					3. TOTAL TRADE-IN PAY-OFF		\$172,969 42 <b>D &amp; E</b>	
					4. BALANCE		\$212,469 42 <b>D &amp; E</b>	
					5. Delivery		\$0 00	
					6. Finance Participation Fee		\$272 59 <b>B</b>	
					7. Interest		\$0 00	
					8. UCC Documentation Fee		\$0 00	
					9.			
					10.			
					11.			
					12. SUB-TOTAL			
					13. CASH WITH ORDER		\$25,000 00 <b>A</b>	
					14. RENTAL APPLIED		\$0 00	
					15. CASH DISCOUNT		\$0 00	
					16. BALANCE DUE		\$187,741 92 <b>F</b>	

The sum of all detail line items should equal the amount of the check written.

BANK ACCOUNT: 5011 - Farm Checking      ENDING BALANCE: 31,701.61

NO: 1009      DATE: 04/01/2016

PAY TO THE ORDER OF: John Deere Dealer      \$ 25,000.00 **A**

Twenty-five thousand and 00/100\* ..... DOLLARS

ADDRESS: John Deere Dealer

MEMO:

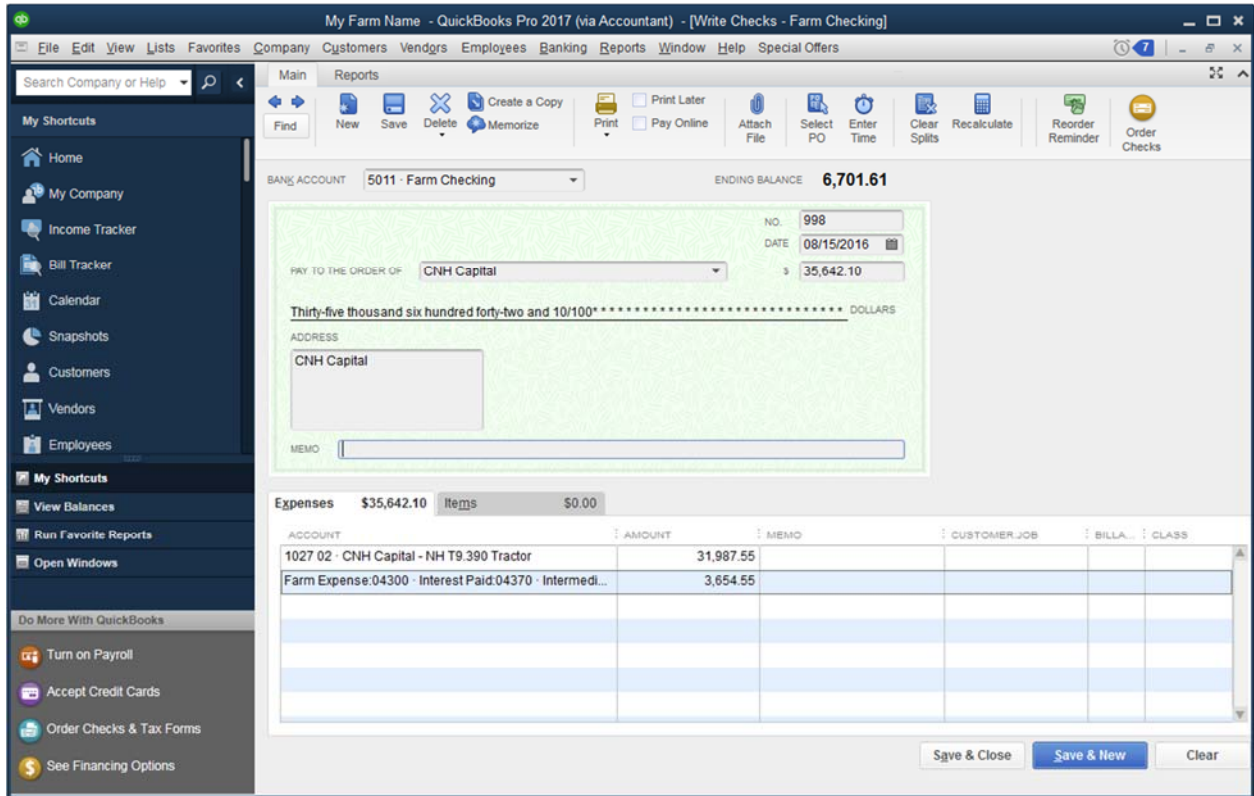
Expenses \$25,000.00      Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER-JOB	BILLA..	CLASS
Depreciable Assets:09600 · Motorized Equipment	<b>B</b> 285,272.50	JD 9420R Tractor			
Depreciable Assets:09600 · Motorized Equipment	<b>C</b> -215,000.00	NH T9.390 Tractor allowance			
Depreciable Assets:09600 · Motorized Equipment	<b>C</b> -30,500.00	CIH 9180 Tractor allowance			
1027 02 - CNH Capital - NH T9.390 Tractor	<b>D</b> 168,957.23	Payoff loan on old tractor			
Farm Expense:04300 · Interest Paid:04370 · Int..	<b>E</b> 4,012.19	Interest on old loan			
1027 05 - JDF - JD 9420R Tractor	<b>F</b> -187,741.92	Proceeds from new loan			

Save & Close      Save & New      Clear

Capital asset purchases without financing can be recorded like other expenses

## 5.8 LOAN PAYMENT



## 5.9 SHORTCUT PAYROLL

This method is a shortcut to subscribing to the QuickBooks payroll service (\$2-300 per year). For most agricultural employers, the subscription is overkill. This shortcut method does require that you have a basic understanding of payroll and that you have means of calculating paychecks, either by hand or with a spreadsheet. If you are a KFMA member, a spreadsheet is available to assist in payroll calculation.

This method works best for “simple” payroll but with a little effort, a savvy bookkeeper can handle “complicated” payroll where you are deducting for health insurance, retirement plan contributions, or other pre-tax deductions.

Consult your tax preparer if you have questions related to payroll. Payroll withholding mistakes can be costly to fix.

The KFMA chart of accounts should include several Other Current Liability accounts that are used to track payroll liability. These accounts are essential to this shortcut payroll method.

- A. 04110 Gross wages
- B. 04120 *Employer’s* share of Social Security
- C. 04130 *Employer’s* share of Medicare
- D. 94120 Combined *employer and employee* share of Social Security (entered as a negative)
- E. 94130 Combined *employer and employee* share of Medicare (entered as a negative)
- F. 94190 Federal income tax withheld
- G. 94180 State income tax withheld

BANK ACCOUNT: 5011 - Farm Checking      ENDING BALANCE: 16,059.51

NO. 1015  
DATE 11/10/2016  
PAY TO THE ORDER OF: Bill Employee      \$ 2,041.25

Two thousand forty-one and 25/100\* ..... DOLLARS

ADDRESS: Bill Employee

MEMO:

---

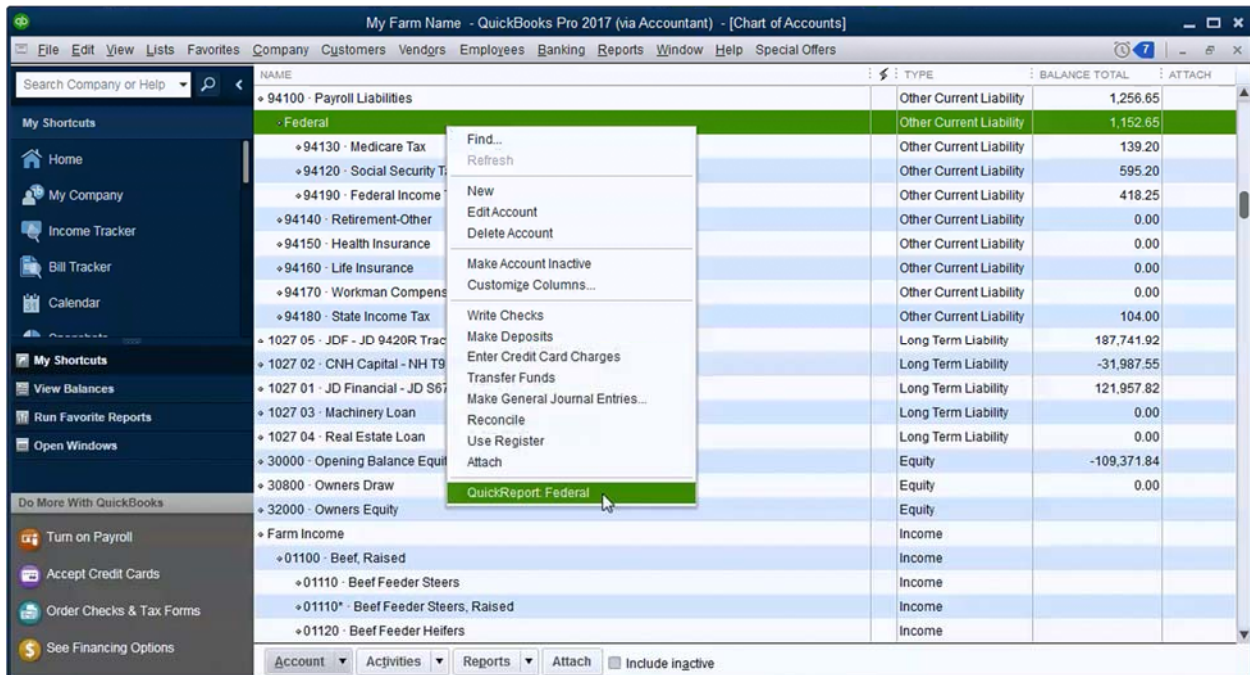
Expenses \$2,041.25      Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER-JOB	BILLA...	CLASS
Farm Expense:04100 · Labor Hired:04110 · Wages	A 2,500.00				
Farm Expense:04100 · Labor Hired:04120 · Social Security Tax	B 155.00				
Farm Expense:04100 · Labor Hired:04130 · Medicare Tax	C 36.25				
94100 · Payroll Liabilities:94120 · Social Security Tax	D -310.00				
94100 · Payroll Liabilities:94130 · Medicare Tax	E -72.50				
94100 · Payroll Liabilities:94190 · Federal Income Tax	F -212.50				
94100 · Payroll Liabilities:94180 · State Income Tax	G -55.00				

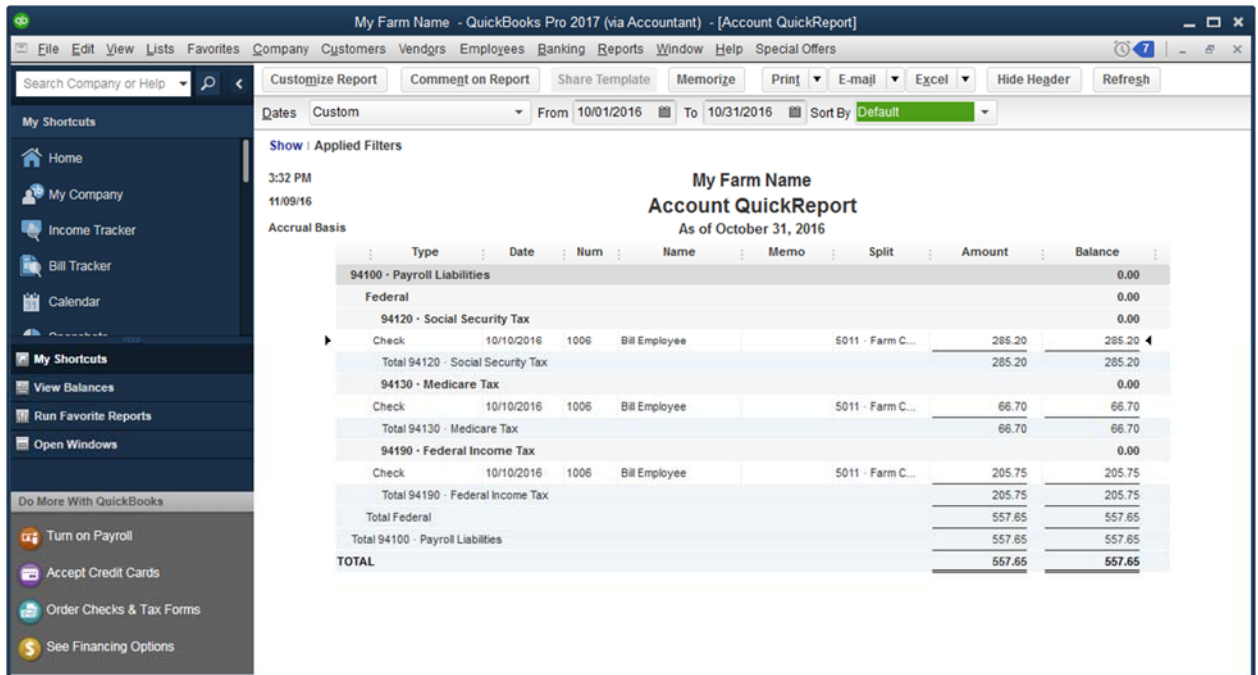
Save & Close      Save & New      Clear

### 5.10 PAYING PAYROLL LIABILITIES

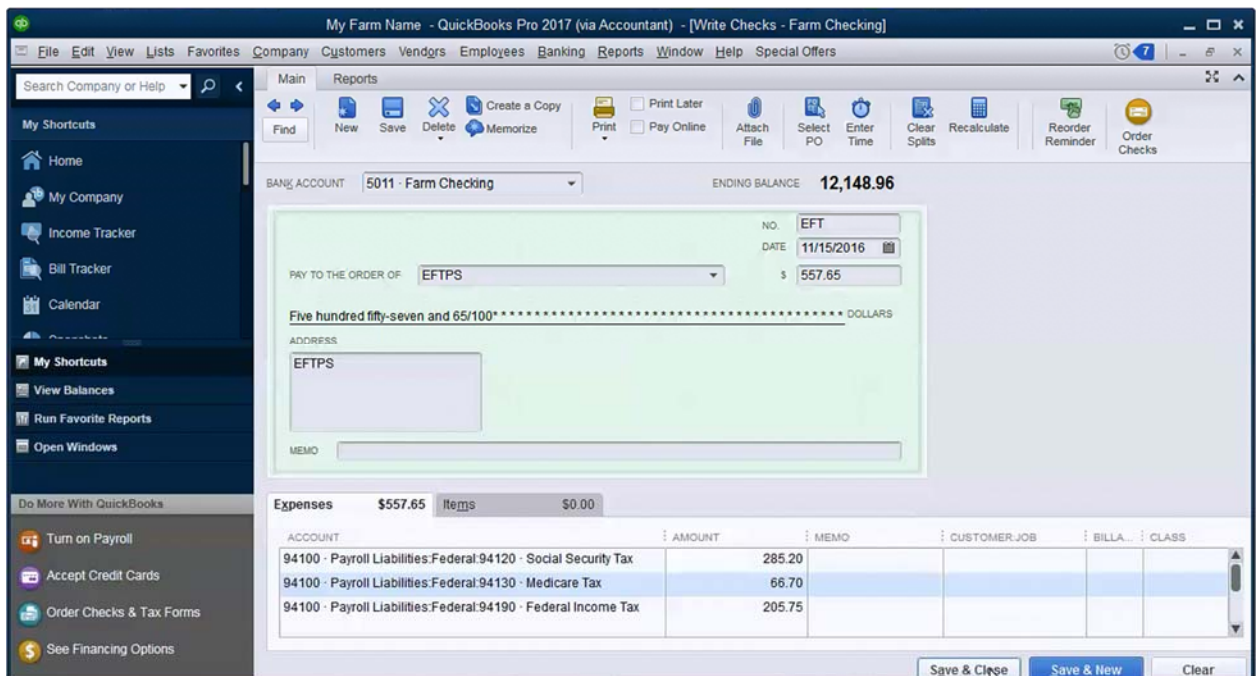
1. Open the chart of accounts (*Lists>Chart of Accounts*) and scroll until you find the Payroll Liabilities accounts.
2. To determine your federal liability, right-click on *Federal* and select *QuickReport: Federal*. Right-click on *State Income Tax* and select *QuickReport* for your state liability.



3. Change the date range of the report to reflect the appropriate payroll month. Print this report or write down each of the liability account balances.



4. From the *Home Screen*, select *Write Checks*.
5. Select the payroll liability accounts as the expense details and enter the amounts from the liability report in step 3.



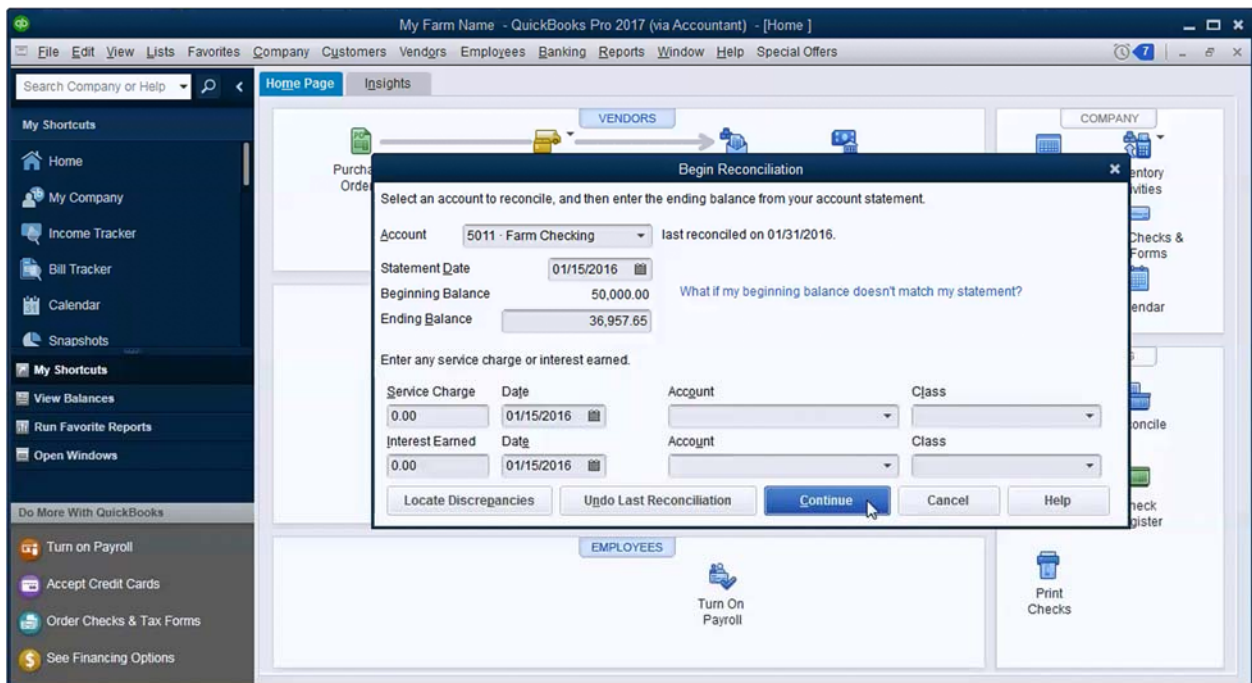
Consult your tax preparer if you have questions related to payroll. Payroll withholding mistakes can be costly to fix.

## 6 RECONCILING ACCOUNTS

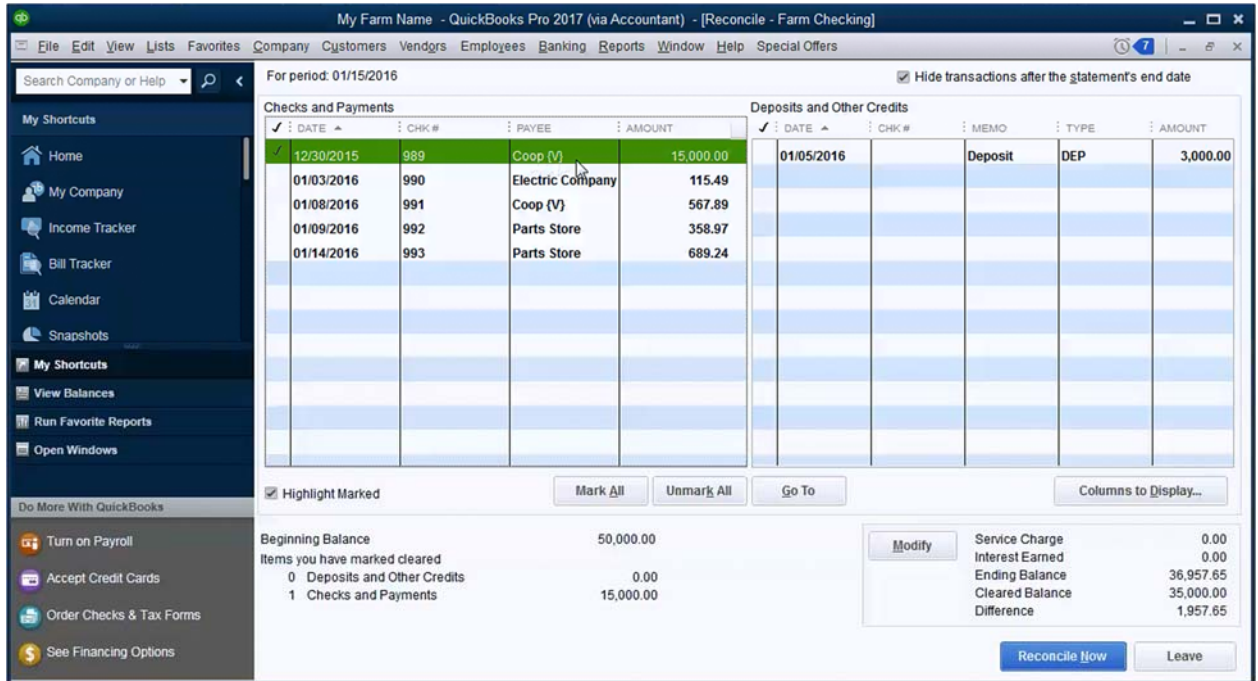
Reconciling bank accounts is critical to accurate recordkeeping. Reconciliation insures that all transactions *amounts* are entered correctly. DO NOT skip this step!

VERY BIG BANK		CHECKING ACCOUNT STATEMENT	
9876 FAKE STREET MANHATTAN KS 66502 1-800-222-2222		Page: 1 of 1	
MY FARM NAME 1234 FAKE STREET MANHATTAN, KS 66502	<b>Statement Period</b> 12-16-15 to 01-15-2016	<b>Account No.</b> 0005- 123-456-7	
<b>Checking Summary</b>			
	<b>INSTANCES</b>	<b>AMOUNT</b>	
<b>Beginning Balance</b>		<b>\$50,000.00</b>	
Deposits and Additions	1	3,000.00	
Checks Paid	4	16,042.35	
Other Withdrawals, Fee & Charges	0	0.00	
<b>Ending Balance</b>		<b>\$36,957.65</b>	
<b>Date</b>	<b>Description</b>	<b>Ref.</b>	<b>Withdrawals</b>
12-16	Previous Balance		
01-03	Check 989		15,000.00
01-05	Deposit		
01-06	Check 990		115.49
01-10	Check 991		567.89
01-12	Check 992		358.97
01-15	Ending Balance		
	<b>***TOTALS***</b>		16,042.35
			3,000.00
			36,957.65

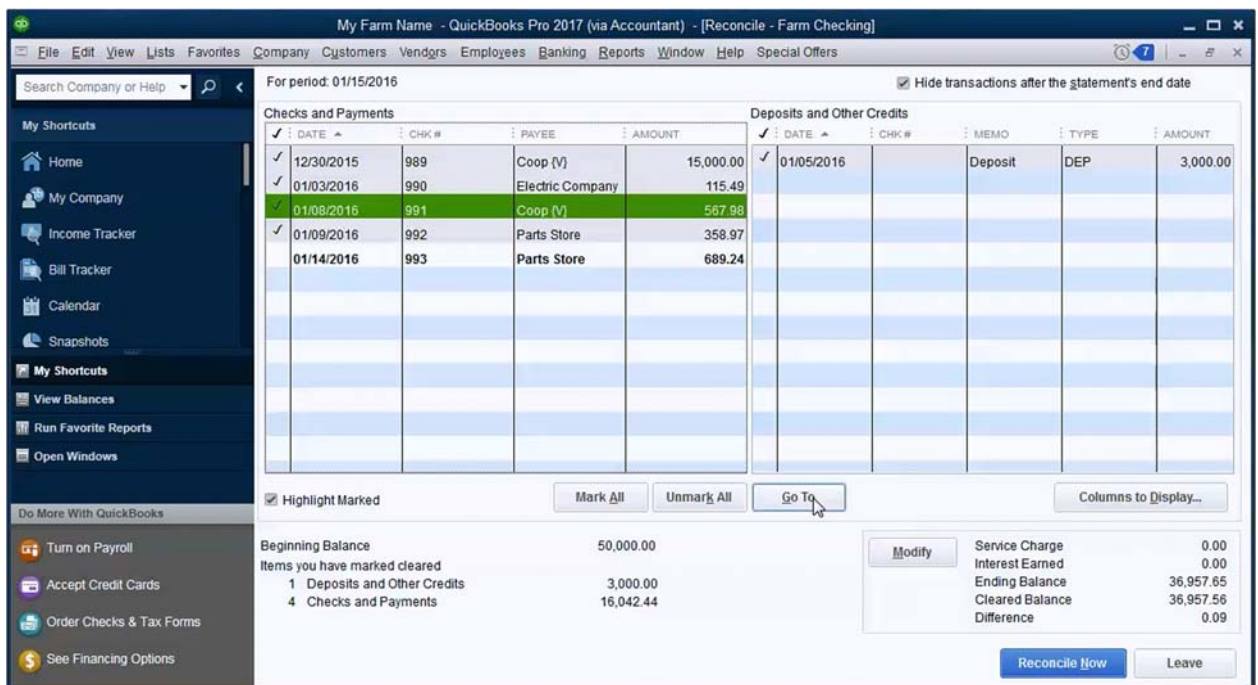
1. From the *Banking* menu, select *Reconcile*.
2. Enter the *Ending Balance* and *Statement Date* from the bank statement. QuickBooks will carry over the ending balance from the last reconciliation and automatically enter it as the beginning balance.



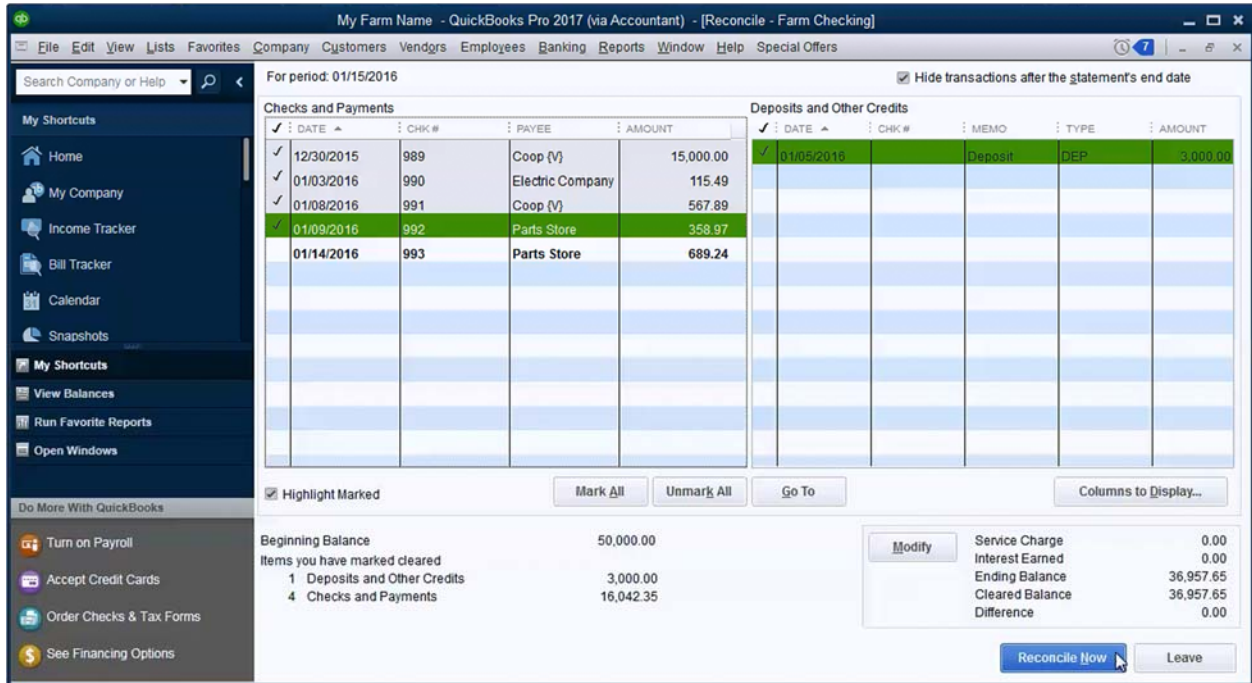
- Work methodically through the bank statement. For each transaction on the bank statement, click on that transaction in the reconcile window to mark it as cleared.



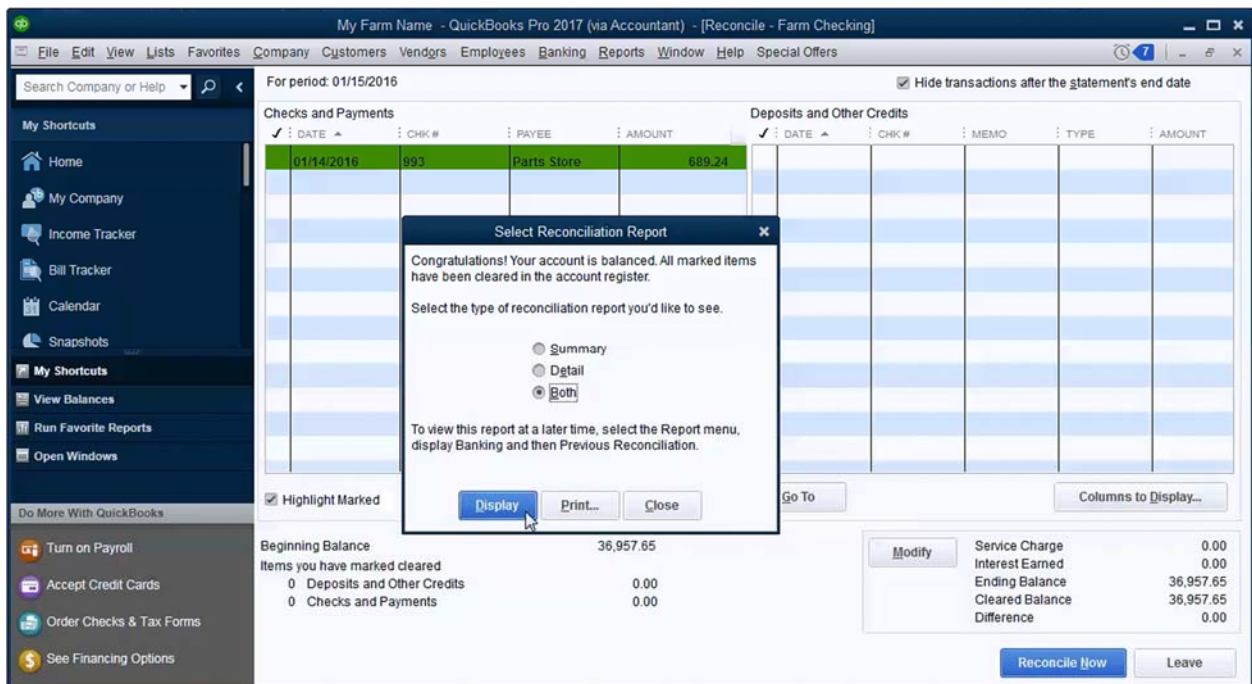
- Once you have worked through all transactions on the bank statement, review the *Difference* amount in the lower right corner of the *Reconcile* window. If *Difference* is *not* zero, there is a transaction missing, a duplicate transaction, or the amount of a transaction was entered incorrectly. To edit a transaction, click on it and click the *Go To* button. When you have finished editing a transaction, click *Save & Close* to return to the *Reconcile* window. If the difference amount is a multiple of 9, look for transposed numbers (98 instead of 89).



- If *Difference* is zero, the bank account is balanced to the bank statement. Click *Reconcile Now* to finish.



- You will have a chance to *View or Print a Reconciliation Report*. Select *Summary, Detail or Both* and click *Display* to view the report.

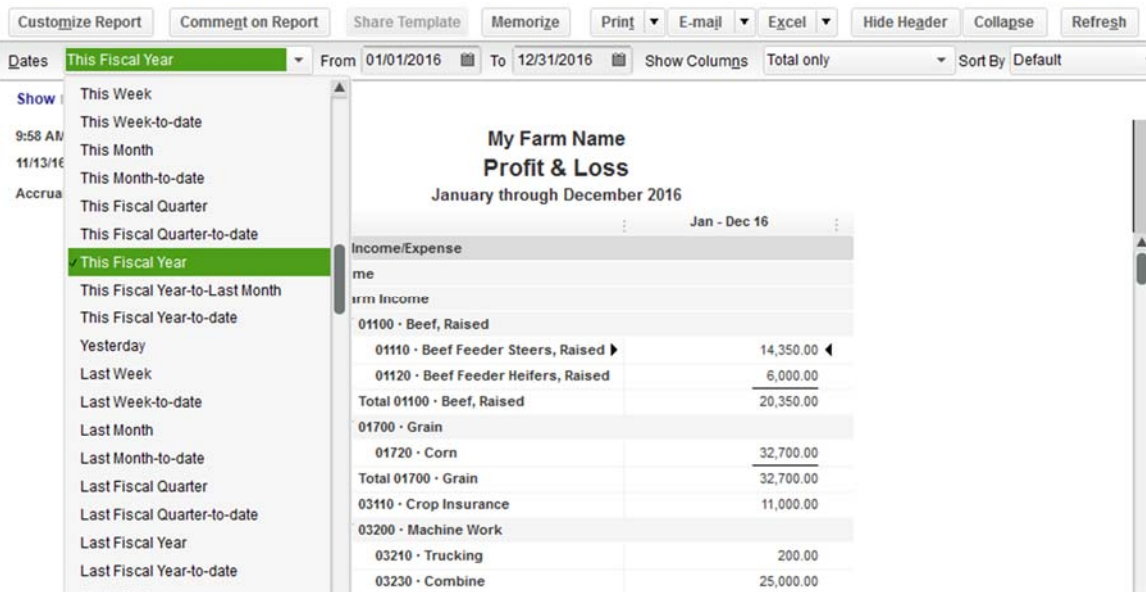




# 7 REPORTS

One strength of QuickBooks is reporting. There are multitudes of built-in reports available, probably far more than you will ever need. If you are diligent about working in QuickBooks, the reports will give you an indication of farm performance as well as provide accurate information for your KFMA economist or your tax preparer. Below are a few examples of some of the more useful reports in QuickBooks.

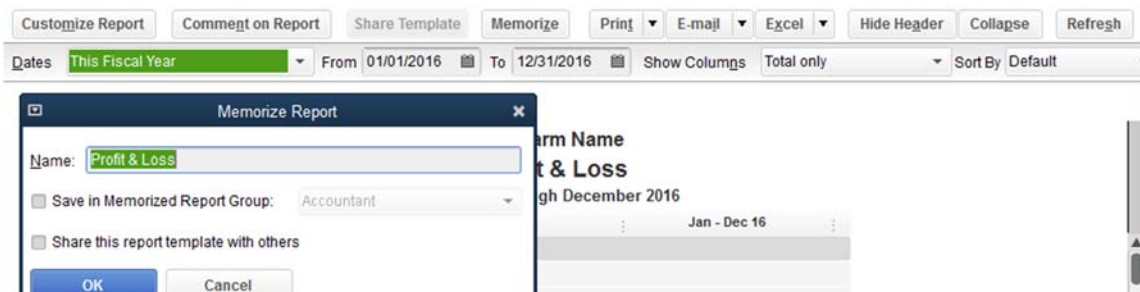
For any report, select a meaningful date range using the *Dates* drop down, or by manually entering the *From* and *To* dates. Click the *Customize Report* button to customize the report even more.



If you see this window when opening a report, check “Do not display...” and click OK.

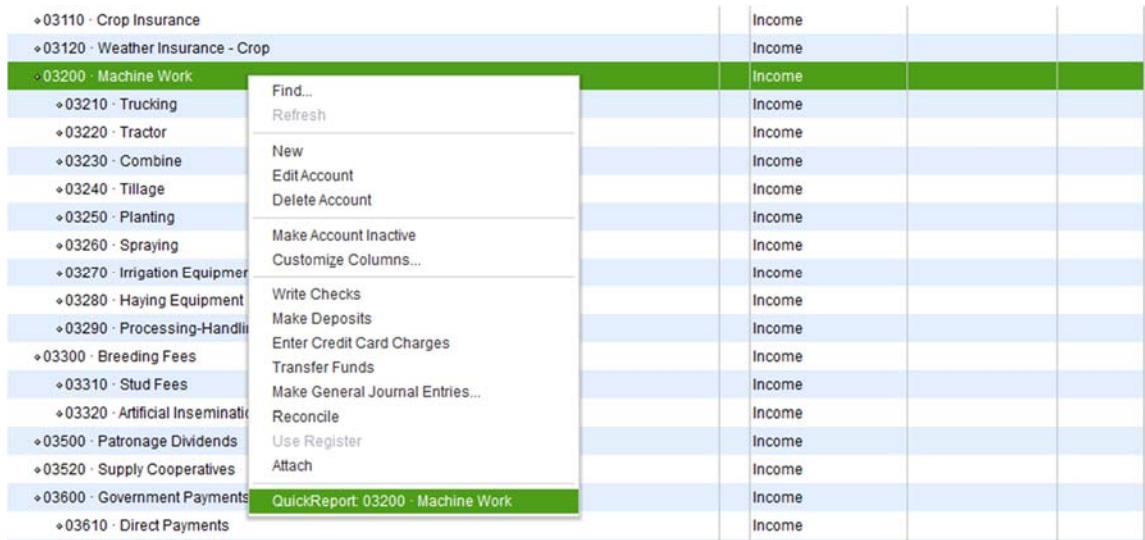


If you have customized a report that you will want to see again later, click the Memorize button to save the report for easy access later.



## 7.1 QUICKREPORT

In any list (chart of accounts, customers, vendors), right-click on a list item and select *QuickReport* to see a list of current year transactions related to that item. *QuickReports* are very handy.



Show | Applied Filters

**My Farm Name**  
**Account QuickReport**  
January through December 2016

Accrual Basis

Type	Date	Num	Name	Memo	Split	Amount
<b>Farm Income</b>						
03200 - Machine Work						
03210 - Trucking						
Invoice	12/01/2016	3	Neighbor	Trucking	11000 - Acco...	200.00
Total 03210 - Trucking						200.00
03230 - Combine						
Deposit	07/01/2016		Neighbor	Deposit	5011 - Farm C...	25,000.00
Total 03230 - Combine						25,000.00
03280 - Haying Equipment						
Invoice	10/18/2016	2	Neighbor	Haying	11000 - Acco...	3,200.00
Total 03280 - Haying Equipment						3,200.00
Total 03200 - Machine Work						28,400.00
Total Farm Income						28,400.00
<b>TOTAL</b>						<b>28,400.00</b>

In a report, when the mouse pointer turns into a magnifying glass, you can double click to open an additional report showing the detail of that line.

Jan - Dec 16

Ordinary Income/Expense	
Income	
Farm Income	
01100 - Beef, Raised	
01110 - Beef Feeder Steers, Raised	14,350.00
01120 - Beef Feeder Heifers, Raised	6,000.00
Total 01100 - Beef, Raised	20,350.00
01700 - Grain	
01720 - Corn	32,700.00
Total 01700 - Grain	32,700.00
03110 - Crop Insurance	11,000.00
03200 - Machine Work	
03210 - Trucking	200.00

## 7.2 PROFIT AND LOSS STANDARD

The profit and loss report is a picture of farm performance over a period of time.

Menu: *Reports>Company & Financial>Profit & Loss Standard*

Show | Applied Filters

My Farm Name  
**Profit & Loss**  
 January through December 2016  
 Jan - Dec 16

Accrual Basis

Ordinary Income/Expense	
Income	
Farm Income	
01100 · Beef, Raised	
01110 · Beef Feeder Steers, Raised	14,350.00
01120 · Beef Feeder Heifers, Raised	6,000.00
<b>Total 01100 · Beef, Raised</b>	<b>20,350.00</b>
01700 · Grain	
01720 · Corn	32,700.00
<b>Total 01700 · Grain</b>	<b>32,700.00</b>
03110 · Crop Insurance	11,000.00
03200 · Machine Work	
03210 · Trucking	200.00
03230 · Combine	25,000.00
03280 · Haying Equipment	3,200.00
<b>Total 03200 · Machine Work</b>	<b>28,400.00</b>
03520 · Supply Cooperatives	3,412.44
06100 · Beef, Resale	
06110 · Beef Feeder Steers, Resale	63,000.00
<b>Total 06100 · Beef, Resale</b>	<b>63,000.00</b>
<b>Total Farm Income</b>	<b>158,862.44</b>
<b>Total Income</b>	<b>158,862.44</b>
<b>Gross Profit</b>	<b>158,862.44</b>
Expense	
Farm Expense	
04100 · Labor Hired	
04110 · Wages	4,800.00
04120 · Social Security Tax	297.60
04130 · Medicare Tax	69.60
<b>Total 04100 · Labor Hired</b>	<b>5,167.20</b>

### 7.3 PROFIT & LOSS DETAIL

This report is similar to profit & loss standard, but with detail for each income or expense account rather than a summary.

Menu: *Reports>Company & Financial>Profit & Loss Detail*

Show | Applied Filters

**My Farm Name**  
**Profit & Loss Detail**  
January through December 2016

Accrual Basis

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
<b>Farm Income</b>									
<b>01100 - Beef, Raised</b>									
<b>01110 - Beef Feeder Steers, Raised</b>									
Sales Receipt	10/15/2016		Sale Barn	Beef Feeder...	2016:16...		12000 - Unde...	7,200.00	7,200.00
Deposit	10/15/2016		Sale Barn	*10@1.30@...	2016:16...		5011 - Farm C...	7,150.00	14,350.00
<b>Total 01110 - Beef Feeder Steers, Raised</b>								14,350.00	14,350.00
<b>01120 - Beef Feeder Heifers, Raised</b>									
Deposit	10/15/2016		Sale Barn	*10@1.20@...	2016:16...		5011 - Farm C...	6,000.00	6,000.00
<b>Total 01120 - Beef Feeder Heifers, Raised</b>								6,000.00	6,000.00
<b>Total 01100 - Beef, Raised</b>								20,350.00	20,350.00
<b>01700 - Grain</b>									
<b>01720 - Corn</b>									
Deposit	01/05/2016			Deposit			5011 - Farm C...	3,000.00	3,000.00
Sales Receipt	10/15/2016		Elevator	Corn *5000@...	2016:16...		12000 - Unde...	15,000.00	18,000.00
Deposit	10/15/2016		Elevator	*5000@3@*	2016:16...		5011 - Farm C...	15,000.00	33,000.00
Deposit	10/15/2016		Elevator	Moisture dis...	2016:16...		5011 - Farm C...	-300.00	32,700.00
<b>Total 01720 - Corn</b>								32,700.00	32,700.00
<b>Total 01700 - Grain</b>								32,700.00	32,700.00
<b>03110 - Crop Insurance</b>									
Deposit	07/01/2016		Crop Insurance Co	Deposit			5011 - Farm C...	6,000.00	6,000.00
Deposit	12/01/2016		Crop Insurance Co	Deposit			5011 - Farm C...	5,000.00	11,000.00
<b>Total 03110 - Crop Insurance</b>								11,000.00	11,000.00
<b>03200 - Machine Work</b>									
<b>03210 - Trucking</b>									
Invoice	12/01/2016	3	Neighbor	Trucking			11000 - Acco...	200.00	200.00
<b>Total 03210 - Trucking</b>								200.00	200.00
<b>03230 - Combine</b>									
Deposit	07/01/2016		Neighbor	Deposit			5011 - Farm C...	25,000.00	25,000.00

## 7.4 BALANCE SHEET

The balance sheet is a snapshot in time of all assets, liabilities and equity. QuickBooks balance sheets are tax-basis balance sheets. DO NOT attempt to force adjustments in order to make QuickBooks display a market value balance sheet.

Menu: *Reports>Company & Financial>Balance Sheet Standard*

Show | Applied Filters

**My Farm Name**  
**Balance Sheet**  
As of December 31, 2016

Accrual Basis

	Dec 31, 16
<b>ASSETS</b>	
▼ Current Assets	
▼ Checking/Savings	
5011 · Farm Checking	8,015.52
5018 01 · Very Big Bank - Savings	50,000.00
5018 02 · Very Big Bank - Money Market	75,000.00
<b>Total Checking/Savings</b>	<b>133,015.52</b>
▼ Accounts Receivable	
11000 · Accounts Receivable	780.00
<b>Total Accounts Receivable</b>	<b>780.00</b>
▼ Other Current Assets	
▼ Resale Inventory	
▼ 56100 · Beef, Resale INV	
56110 · Beef Feeder Steers, Resale I...	127,600.00
<b>Total 56100 · Beef, Resale INV</b>	<b>127,600.00</b>
<b>Total Resale Inventory</b>	<b>127,600.00</b>
<b>Total Other Current Assets</b>	<b>127,600.00</b>
<b>Total Current Assets</b>	<b>261,395.52</b>
▼ Fixed Assets	
▼ Depreciable Assets	
▼ 09100 · Beef Breeding	
09110 · Young Bulls	6,500.00
<b>Total 09100 · Beef Breeding</b>	<b>6,500.00</b>
09600 · Motorized Equipment	39,772.50
<b>Total Depreciable Assets</b>	<b>46,272.50</b>
<b>Total Fixed Assets</b>	<b>46,272.50</b>
▼ Other Assets	
1068 02 · Coop Deferred Patronage	1,689.93
1069 01 · Little Coop - Def Patronage	6,543.21
<b>Total Other Assets</b>	<b>8,233.14</b>

## 7.5 BALANCE SHEET PREV YEAR COMPARISON

Menu: *Reports>Company & Financial>Balance Sheet Prev Year Comparison*

Show | Applied Filters

**My Farm Name**  
**Balance Sheet Prev Year Comparison**

Accrual Basis As of December 31, 2016

	Dec 31, 16	Dec 31, 15	\$ Change
<b>Fixed Assets</b>			
<b>Depreciable Assets</b>			
09000 · Listed Property	65,894.23	65,894.23	0.00
<b>09100 · Beef Breeding</b>			
09110 · Young Bulls	6,500.00	0.00	6,500.00
09100 · Beef Breeding - Other	55,468.97	55,468.97	0.00
<b>Total 09100 · Beef Breeding</b>	<b>61,968.97</b>	<b>55,468.97</b>	<b>6,500.00</b>
09600 · Motorized Equipment	607,594.84	567,822.34	39,772.50
09700 · Machinery	389,764.31	389,764.31	0.00
09800 · Buildings	126,000.00	126,000.00	0.00
99600 · Accumulated Depreciation	-851,627.38	-785,649.13	-65,978.25
<b>Total Depreciable Assets</b>	<b>399,594.97</b>	<b>419,300.72</b>	<b>-19,705.75</b>
09900 · Land	687,995.00	687,995.00	0.00
<b>Total Fixed Assets</b>	<b>1,087,589.97</b>	<b>1,107,295.72</b>	<b>-19,705.75</b>
<b>Other Assets</b>			
1068 02 · Coop Deferred Patronage	8,233.14	6,543.21	1,689.93
<b>Total Other Assets</b>	<b>8,233.14</b>	<b>6,543.21</b>	<b>1,689.93</b>
<b>TOTAL ASSETS</b>	<b>1,357,218.63</b>	<b>1,273,838.93</b>	<b>83,379.70</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
20000 · Accounts Payable	45.00	0.00	45.00
<b>Total Accounts Payable</b>	<b>45.00</b>	<b>0.00</b>	<b>45.00</b>
<b>Other Current Liabilities</b>			
1021 01 · Operating Loan	25,000.00	0.00	25,000.00
<b>94100 · Payroll Liabilities</b>			
<b>Federal</b>			
94120 · Social Security Tax	310.00	0.00	310.00
94130 · Medicare Tax	73.60	0.00	73.60

## 7.6 CUSTOMER BALANCE DETAIL

If you use invoices, see who owes you money.

Menu: *Reports>Customers & Receivables>Customer Balance Detail*

Show | Applied Filters

**My Farm Name**  
**Customer Balance Detail**

All Transactions

Type	Date	Num	Account	Class	Amount	Balance
<b>Landlord</b>						
Invoice	10/15/2016		11000 - Accounts...		880.00	880.00
<b>Total Landlord</b>					<b>880.00</b>	<b>880.00</b>
<b>Neighbor</b>						
Invoice	10/18/2016	2	11000 - Accounts...		3,200.00	3,200.00
Payment	11/30/2016		11000 - Accounts...		-3,500.00	-300.00
Invoice	12/01/2016	3	11000 - Accounts...		200.00	-100.00
<b>Total Neighbor</b>					<b>-100.00</b>	<b>-100.00</b>
<b>TOTAL</b>					<b>780.00</b>	<b>780.00</b>

## 7.7 VENDOR BALANCE DETAIL

If you utilize bills, see who you owe.

Reports>Vendors & Payables>Vendor Balance Detail

Show | Applied Filters

**My Farm Name**  
**Vendor Balance Detail**  
All Transactions

Type	Date	Num	Account	Amount	Balance
<b>Electric Company</b>					
▶ Bill Pmt -Check	10/15/2016	1000	20000 - Accounts...	-123.45	-123.45 ◀
Bill	11/01/2016		20000 - Accounts...	123.45	0.00
Total Electric Company				0.00	0.00
<b>Internet Company</b>					
Bill	11/01/2016		20000 - Accounts...	45.00	45.00
Total Internet Company				45.00	45.00
<b>John Deere Stealer</b>					
Bill Pmt -Check	10/15/2016	1005	20000 - Accounts...	-4,321.65	-4,321.65
Bill	11/01/2016		20000 - Accounts...	4,321.65	0.00
Total John Deere Stealer				0.00	0.00
<b>Parts Store</b>					
Credit	10/15/2016		20000 - Accounts...	-25.36	-25.36
Bill Pmt -Check	10/15/2016	1002	20000 - Accounts...	-210.28	-235.64
Bill	11/01/2016		20000 - Accounts...	235.64	0.00
Total Parts Store				0.00	0.00
<b>TOTAL</b>				<b>45.00</b>	<b>45.00</b>

# 8 CHART OF ACCOUNTS

## 8.1 FARM INCOME ACCOUNTS

ATIG	DESCRIPTION	ATIG	DESCRIPTION	ATIG	DESCRIPTION
<b>0110 BEEF, RAISED</b>		<b>0190 CASH FIELD CROPS</b>		<b>0270 TRUCK CROPS</b>	
1 BEEF FEEDER STEERS		1 SOYBEANS		1 SWEET CORN	
2 BEEF FEEDER HEIFERS		2 PINTO—DRY BEANS		2 POTATOES	
3 YOUNG BREEDING BULLS		3 SUGAR BEETS		3 TOMATOES	
4 YOUNG BREEDING HEIFERS		4 LEGUME—GRASS SEED		4 WATERMELONS	
		5 COTTON		5 CANTALOUPE—HONEYDEW	
<b>0120 DAIRY, RAISED</b>		6 POPCORN		6 CUCUMBER	
1 DAIRY CALVES		7 SUNFLOWERS		7 STRAWBERRIES	
2 DAIRY CALVES		8 CANOLA		8 PUMPKINS	
3 YOUNG BREEDING BULLS		9 OTHER CASH CROPS		9 SQUASH	
4 YOUNG BREEDING HEIFERS					
5 DAIRY FEEDERS		<b>0200 VEGETABLES</b>		<b>0280 FRUITS—BERRIES—GRAPES</b>	
		1 BEANS		1 APPLES	
<b>0130 SHEEP, RAISED</b>		2 BEETS		2 CHERRIES	
1 FEEDER LAMBS		3 CABBAGE		3 PEACHES	
2 MARKET LAMBS		4 CARROTS		4 PEARS	
3 YOUNG BREEDING RAMS		5 EGGPLANT		5 PLUMS	
4 YOUNG BREEDING EWES		6 LETTUCE		6 OTHER FRUITS	
		7 PEAS		7 BERRIES	
<b>0140 SWINE, RAISED</b>		8 PEPPERS		8 GRAPES	
1 FEEDER PIGS		9 SPINACH		9 SPECIALTY FRUITS	
2 MARKET HOGS					
3 YOUNG BREEDING BOARS		<b>0210 VEGETABLES</b>		<b>0290 NURSERY CROPS</b>	
4 YOUNG BREEDING GILTS		1 ASPARAGUS		1 FLOWERS	
		2 BROCCOLI		2 BEDDING PLANTS	
<b>0150 OTHER LIVESTOCK, RAISED</b>		3 CAULIFLOWER		3 VEGETABLE PLANTS	
1 HORSES		4 GREENS		4 SHRUBS	
2 DOGS		5 ONIONS		5 TREES	
3 BISON		6 RADISH		6 GRASS SEED	
4 GOATS		7 RHUBARB			
5 LLAMAS		8 ROOT CROPS		<b>0300 TREE NUTS</b>	
		9 OTHER		1 ALMOND	
<b>0160 POULTRY</b>				2 BUTTERNUT	
1 BROILERS		<b>0220 DAIRY PRODUCTS</b>		3 CHESTNUT	
2 LAYERS		1 MILK		4 HICAN	
3 TURKEYS		2 CHEESE		5 HICKORY	
4 ROASTERS		3 OTHER DAIRY PRODUCTS		6 PECAN	
5 PULLETS				7 WALNUT	
6 OSTRICH		<b>0230 ANIMAL BY-PRODUCTS</b>		8 OTHER	
7 EMU		1 WOOL			
<b>0170 GRAIN</b>		2 HIDES		<b>0310 CROP INSURANCE</b>	
1 BARLEY		3 MEAT		1 CROP INSURANCE PROCEEDS	
2 CORN		4 POULTRY LITTER		2 WEATHER INSURANCE-CROP	
3 GRAIN SORGHUM		5 HONEY			
4 OATS				<b>0320 MACHINE WORK</b>	
5 RYE		<b>0240 CUSTOM FEEDING</b>		1 TRUCKING	
6 WHEAT		1 BEEF FEEDING		2 TRACTOR	
7 MILLET		2 DAIRY FEEDING		3 COMBINE	
8 OTHER GRAIN		3 SHEEP FEEDING		4 TILLAGE	
9 OTHER GRAIN		4 SWINE FEEDING		5 PLANTING	
		5 GRAZING		6 SPRAYING	
<b>0180 HAY &amp; FORAGE</b>				7 IRRIGATION EQUIPMENT	
1 ALFALFA		<b>0250 LANDLORD REFUNDS</b>		8 HAYING EQUIPMENT	
2 BROME—FESCUE—BERMUDA		1 REPAIRS		9 PROCESSING & HANDLING	
3 PRAIRIE HAY		2 SEED			
4 OTHER HAY		3 FERTILIZER		<b>0330 BREEDING FEES</b>	
5 CORN SILAGE		4 MACHINE HIRE		1 STUD FEES	
6 SORGHUM & OTHER SILAGE		5 IRRIGATION EXPENSE		2 ARTIFICIAL INSEMINATION	
7 STRAW		6 GAS—FUEL—OIL			
8 CEREAL & RESIDUE PASTURE		7 DRYING—STORAGE		<b>0340 TREES—LUMBER</b>	
9 TEMPORARY PASTURE		8 HERBICIDE—INSECTICIDE		1 CHRISTMAS TREES	
		9 OTHER		2 STANDING TREES	
				3 CHIP WOOD	
		<b>0260 EGGS</b>		4 PULP WOOD	
		1 EGGS		5 PINE STRAW	
				6 LOGS	
				7 POSTS	
				8 FIREWOOD	



ATIG	DESCRIPTION
<b>0350</b>	<b>PATRONAGE DIVIDENDS</b>
1	MILK COOPERATIVES
2	SUPPLY COOPERATIVES
<b>0360</b>	<b>GOVERNMENT PAYMENTS</b>
1	DIRECT PAYMENTS
2	LDP PAYMENTS
3	CONSERVATION PAYMENTS
4	DISASTER PAYMENTS
5	STATE GOVT PAYMENTS
6	OTHER GOVT PAYMENTS
7	MARKET GAIN PAYMENTS
8	CRP PAYMENTS
9	LIVESTOCK PAYMENTS
<b>0370</b>	<b>GAS TAX REFUNDS</b>
1	FEDERAL GASOLINE REFUND
2	STATE GASOLINE REFUND
<b>0380</b>	<b>NON-CROP INSURANCE INCOME</b>
1	LIVESTOCK
2	MACHINERY
3	BUILDINGS
4	AGR-LITE INSURANCE
5	WEATHER INSURANCE-LVSTK
<b>0390</b>	<b>MISCELLANEOUS INCOME</b>
1	PRODUCT REFUNDS
2	FEE HUNTING
3	OTHER
<b>0600</b>	<b>LIVESTOCK FUTURES</b>
1	HEDGE ACCOUNT
2	SPECULATIVE ACCOUNT
3	OPTIONS
<b>0610</b>	<b>BEEF, RESALE</b>
1	BEEF FEEDER STEERS
2	BEEF FEEDER HEIFERS
3	DAIRY FEEDERS
<b>0620</b>	<b>DAIRY, RESALE</b>
1	DAIRY, RESALE
<b>0630</b>	<b>SHEEP, RESALE</b>
1	FEEDER LAMBS
2	MARKET LAMBS
<b>0640</b>	<b>SWINE, RESALE</b>
1	FEEDER PIGS
2	MARKET HOGS
<b>0650</b>	<b>OTHER LIVESTOCK, RESALE</b>
1	HORSES
2	DOGS
3	BISON
4	GOATS
5	LLAMAS
<b>0660</b>	<b>GRAIN FUTURES</b>
1	HEDGE ACCOUNT
2	SPECULATIVE ACCOUNT
3	OPTIONS

ATIG	DESCRIPTION
<b>0670</b>	<b>CROPS, RESALE</b>
1	TRUCK CROPS—FRUITS— BERRIES—NUTS
2	CORN
3	GRAIN SORGHUM
4	NURSERY CROPS—VEGETABLES
5	OTHER CROPS
6	WHEAT
7	ALFALFA
8	OTHER HAY & FORAGE
9	SOYBEANS
<b>0680</b>	<b>SUPPLIES PURCH, RESALE</b>
1	SEED
2	SUPPLIES
3	EQUIPMENT
4	COMMISSION—BONUS
5	REFUNDS
<b>0690</b>	<b>MISC ITEMS, RESALE</b>
1	MISC ITEMS, RESALE
<b>0800</b>	<b>LISTED PROPERTY SALES</b>
1	AUTO (% FARM)
2	COMPUTER (% FARM)
3	PICKUP (% FARM)
4	LIGHT TRUCKS & VANS (% FARM)
7	RENTAL PROPERTY
8	STOCK—BONDS
9	RETIREMENT PLANS
<b>0810</b>	<b>BEEF BREEDING, SALES</b>
1	RAISED BULLS
2	RAISED COWS
7	PURCHASED BULLS
8	PURCHASED COWS
<b>0820</b>	<b>DAIRY BREEDING, SALES</b>
1	RAISED BULLS
2	RAISED COWS
7	PURCHASED BULLS
8	PURCHASED COWS
<b>0830</b>	<b>SHEEP BREEDING, SALES</b>
1	RAISED RAMS
2	RAISED EWES
7	PURCHASED RAMS
8	PURCHASED EWES
<b>0840</b>	<b>SWINE BREEDING, SALES</b>
1	RAISED BOARS
2	RAISED SOWS
7	PURCHASED BOARS
8	PURCHASED SOWS
<b>0850</b>	<b>OTHER LIVESTOCK, BREEDING</b>
1	HORSES
2	DOGS
3	BISON
4	GOATS
5	LLAMAS

ATIG	DESCRIPTION
<b>0860</b>	<b>MOTORIZED EQUIPMENT, SALES</b>
1	AUTOS—CYCLES—AIRCRAFT
2	PICKUPS—TRUCKS
3	TRACTORS
4	POWER UNITS & GENERATORS
5	COMBINES
6	SWATHERS
7	SELF-PROPELLED EQUIPMENT
8	COMBINE HEADS
9	FORKLIFTS & SKID LOADERS
<b>0870</b>	<b>MACHINERY, SALES</b>
1	LIVESTOCK FEEDING EQUIP
2	OTHER LIVESTOCK EQUIPMENT
3	MATERIALS HANDLING EQUIPM
4	TILLAGE MACHINERY
5	PLANTERS & CULTIVATORS
6	IRRIGATION EQUIPMENT
7	HARVESTING EQUIPMENT
8	HAYING EQUIPMENT
9	OTHER EQUIPMENT
<b>0880</b>	<b>BUILDINGS, SALES</b>
1	GRAIN STORAGE
2	HAY & SILAGE
3	LIVESTOCK FENCES & YARDS
4	LIVESTOCK BUILDINGS
5	WATER SYSTEMS
6	MACHINE STORAGE
7	DEPRECIABLE LAND IMPROVMNT
8	FARM SHOP
9	NON-FARM BUILDINGS
<b>0890</b>	<b>LAND, SALES</b>
1	NONIRRIGATED CROP LAND
2	IRRIGATED CROP LAND
5	PRAIRIE MEADOW
6	NATIVE PASTURE
7	BROME—FESCUE—BERMUDA
8	TIMBER
9	FARMSTEAD—ROADS—WASTE

**8.2 FARM EXPENSE ACCOUNTS**

ATIG DESCRIPTION	ATIG DESCRIPTION	ATIG DESCRIPTION
<b>0070 UNDIVIDED UTILITIES</b>	<b>0440 FEED PURCHASED</b>	<b>0490 VET—MEDICINE—DRUGS</b>
1 PHONE	1 ADDITIVES—SALT—MINERAL	1 VETERINARIAN SERVICES
2 ELECTRICITY	2 PROTEIN—MIXED FEEDS	2 MEDICINE—DRUGS
3 NATURAL GAS	5 CUSTOM FEEDING	3 MEDICAL SUPPLIES
4 WATER	7 GRAIN	
5 PROPANE	71 BARLEY	<b>0500 DAIRY EXPENSE</b>
6 WASTE DISPOSAL	72 CORN	1 MILK HAULING
7 CELL PHONE	73 GRAIN SORGHUM	2 GOVERNMENT ASSESSMENTS
8 INTERNET	74 OATS	3 FARM SUPPLIES
	75 RYE	4 PROMOTION
<b>0080 UNDIVIDED AUTO EXPENSE</b>	76 WHEAT	5 STATE DEDUCTIONS
1 AUTO GAS & OIL	77 MILLET	6 DHIA TESTING
2 AUTO REPAIRS	78 OTHER GRAIN	7 BST
3 AUTO TAXES & LICENSES	79 OTHER GRAIN	
4 AUTO INSURANCE	8 HAY & FORAGE	<b>0510 MISC LIVESTOCK EXPENSE</b>
5 AUTO LOAN INTEREST	81 ALFALFA	1 MARKETING SERVICES
	82 BROME-FESCUE-BERMUDA	2 TRUCKING & DELIVERY
<b>0400 POULTRY, PURCH FOR RESALE</b>	83 PRAIRIE HAY	3 COMMISSIONS
1 BROILERS	84 OTHER HAY	4 AI—STUD FEES
2 LAYERS	85 CORN SILAGE	5 LIVESTOCK LEASING
3 TURKEYS	86 SORGHUM & OTHER SILAGE	6 ADVERTISING
4 ROASTERS	87 STRAW	7 LIVESTOCK INSURANCE
5 PULLETS	88 CEREAL & RESIDUE PASTURE	8 TRAVEL EXPENSE
6 OSTRICH	89 TEMPORARY PASTURE	9 CONSULTING & DAY LABOR
7 EMU		
	<b>0450 SEED &amp; CROP INSURANCE</b>	<b>0520 GAS—FUEL—OIL</b>
<b>0410 LABOR HIRED</b>	1 SEED & PLANTS	1 GASOLINE
1 WAGES	2 SEED CLEANING	2 LP GAS
2 SOCIAL SECURITY TAX	3 SEED TREATMENT	3 DIESEL
3 MEDICARE TAX	4 GERMINATION TESTING	4 GREASE & OIL
4 RETIREMENT—OTHER	5 CERTIFICATION	5 IRRIGATION FUEL
41 RETIREMENT	6 CROP INSURANCE	6 IRRIGATION DIESEL
42 OTHER	7 CROP CONSULTING	7 IRRIGATION ELECTRICITY
5 HEALTH INSURANCE	8 MEASUREMENT FEES	
6 LIFE INSURANCE	9 GOVERNMENT REPAYMENTS	<b>0530 MISC CROP EXPENSE</b>
7 WORK COMP—UNEMPLOYMENT		1 TRUCKING
71 WORKERS COMPENSATION	<b>0460 FERTILIZER &amp; LIME</b>	2 FREIGHT
72 FUTA	1 NITROGEN	3 STORAGE
73 SUTA	2 PHOSPHORUS	4 ADVERTISING
8 STATE TAX WITHHELD	3 POTASSIUM	5 TRAVEL EXPENSE
9 FEDERAL TAX WITHHELD	4 MIXED FERTILIZER	6 MARKETING SERVICES
	5 TRACE ELEMENTS	7 PRECISION AG SERVICES & FEES
<b>0420 REPAIRS—TOOLS—SUPPLIES</b>	6 LIME & GYPSUM	9 CROP DAY LABOR
1 GENERAL MACHINERY REPAIR	7 SOIL TESTING	
2 CROP MACHINERY REPAIR	8 MANURE	<b>0540 PROPERTY TAXES</b>
3 LIVESTOCK EQUIPMENT REPAIR		1 REAL ESTATE TAX
4 IRRIGATION EQUIPMENT REPAIR	<b>0470 MACHINE HIRE &amp; LEASE</b>	2 PERSONAL PROPERTY TAX
5 BUILDING REPAIR	1 TRUCKING	3 SALES TAX
6 LIVESTOCK SUPPLIES	2 TRACTOR	4 HIGHWAY USE TAX
7 CROP SUPPLIES	3 COMBINE	
8 MISCELLANEOUS SUPPLIES	4 TILLAGE	<b>0550 GENERAL FARM INSURANCE</b>
9 TOOLS	5 PLANTING	1 MACHINERY INSURANCE
	6 SPRAYING	2 BUILDING INSURANCE
<b>0430 INTEREST PAID</b>	7 IRRIGATION EQUIPMENT	3 LIABILITY INSURANCE
1 CURRENT INTEREST	8 HAYING EQUIPMENT	4 MOTOR VEHICLE INSURANCE
6 STOCKHOLDERS INTEREST	9 PROCESSING & HANDLING	5 IRRIGATION EQUIPM INSURANCE
7 INTERMEDIATE INTEREST		6 AGR-LITE INSURANCE
8 REAL ESTATE INTEREST	<b>0480 FEES—PUBLICATIONS—TRAVEL</b>	7 WEATHER INSURANCE-CROP
9 LONG-TERM INTEREST	1 FARM ORGANIZATION FEE	8 WEATHER INSURANCE-LVSTK
	2 MAGAZINES—PAPERS	
	3 FEES—COMMISSIONS—TESTING	
	4 ACCOUNTING—BANK CHARGE	
	5 TRAVEL EXPENSE	
	6 OFFICE SUPPLIES	
	7 POSTAGE	
	8 COMPUTER SOFTWARE	
	9 OTHER	

ATIG DESCRIPTION	ATIG DESCRIPTION	ATIG DESCRIPTION
<b>0560 FARM UTILITIES</b>	<b>0770 CROPS, PURCH FOR RESALE</b>	<b>0960 MOTORIZED EQUIP, PURCHASED</b>
1 PHONE	1 TRUCK CROPS—FRUITS—	1 AUTOS—CYCLES—AIRCRAFT
2 ELECTRICITY	BERRIES—NUTS	2 PICKUPS—TRUCKS
3 NATURAL GAS	2 CORN	3 TRACTORS
4 WATER	3 GRAIN SORGHUM	4 POWER UNITS & GENERATORS
5 PROPANE	4 NURSERY CROPS—VEGETABLES	5 COMBINES
6 WASTE DISPOSAL	5 OTHER CROPS	6 SWATHERS
7 CELL PHONE	6 WHEAT	7 SELF-PROPELLED EQUIPMENT
8 INTERNET	7 ALFALFA	8 COMBINE HEADS
	8 OTHER HAY & FORAGE	9 FORKLIFTS & SKID LOADERS
	9 SOYBEANS	
<b>0570 CASH FARM RENT</b>	<b>0780 SUPPLIES, PURCH FOR RESALE</b>	<b>0970 MACHINERY, PURCHASED</b>
1 NONIRRIGATED CROP LAND	1 SEED	1 LIVESTOCK FEEDING EQUIPMENT
2 IRRIGATED CROP LAND	2 SUPPLIES	2 OTHER LIVESTOCK EQUIPMENT
3 CEREAL & RESIDUE PASTURE	3 EQUIPMENT	3 MATERIALS HANDLING EQUIPM
4 NATIVE PASTURE	4 COMMISSION—BONUS	4 TILLAGE MACHINERY
5 BROME & FESCUE PASTURE	5 REFUNDS	5 PLANTERS & CULTIVATORS
6 BUILDINGS	6 SALES TAX	6 IRRIGATION EQUIPMENT
	7 ADVERTISING	7 HARVESTING EQUIPMENT
	8 TRAVEL	8 HAYING EQUIPMENT
		9 OTHER EQUIPMENT
<b>0580 HERBICIDE &amp; INSECTICIDE</b>	<b>0790 MISC ITEMS, PURCH FOR RESALE</b>	<b>0980 BUILDINGS, PURCHASED</b>
1 HERBICIDE	1 MISC ITEMS, PURCH FOR RESALE	1 GRAIN STORAGE
2 INSECTICIDE		2 HAY & SILAGE
3 FUNGICIDE		3 LIVESTOCK FENCES & YARDS
		4 LIVESTOCK BUILDINGS
		5 WATER SYSTEMS
		6 MACHINE STORAGE
		7 DEPRECIABLE LAND IMPROVMNT
		8 FARM SHOP
		9 NON-FARM BUILDINGS
<b>0590 CONSERVATION</b>	<b>0900 LISTED PROPERTY, PURCHASED</b>	<b>0990 LAND, PURCHASED</b>
1 TERRACING	1 AUTO (% FARM)	1 NONIRRIGATED CROP LAND
2 WATERWAYS	2 COMPUTER (% FARM)	2 IRRIGATED CROP LAND
3 LEVELING	3 PICKUP (% FARM)	5 PRAIRIE MEADOW
4 SEEDS	4 LIGHT TRUCKS & VANS (% FARM)	6 NATIVE PASTURE
5 TREES	61 AMORTIZATION – TAX, MAN	7 BROME—FESCUE—BERMUDA
6 DAMS	62 AMORTIZATION – TAX, NO	8 TIMBER
7 BRUSH CLEARING	MAN	9 FARMSTEAD—ROADS—WASTE
	7 RENTAL PROPERTY	
	8 STOCKS—BONDS	
	9 RETIREMENT PLANS	
<b>0700 LIVESTOCK FUTURES</b>	<b>0910 BEEF BREEDING, PURCHASED</b>	
1 HEDGE ACCOUNT	1 YOUNG BULLS	
2 SPECULATIVE ACCOUNT	2 YOUNG COWS	
3 OPTIONS	7 MATURE BULLS	
	8 MATURE COWS	
<b>0710 BEEF, PURCH FOR RESALE</b>	<b>0920 DAIRY BREEDING, PURCHASED</b>	
1 BEEF FEEDER STEERS	1 YOUNG BULLS	
2 BEEF FEEDER HEIFERS	2 YOUNG COWS	
3 DAIRY FEEDERS	7 MATURE BULLS	
	8 MATURE COWS	
<b>0720 DAIRY, PURCH FOR RESALE</b>	<b>0930 SHEEP BREEDING, PURCHASED</b>	
1 DAIRY, PURCH FOR RESALE	1 YOUNG RAMS	
	2 YOUNG EWES	
<b>0730 SHEEP, PURCH FOR RESALE</b>	7 MATURE RAMS	
1 FEEDER LAMBS	8 MATURE EWES	
2 MARKET LAMBS		
	<b>0940 SWINE BREEDING, PURCHASED</b>	
<b>0740 SWINE, PURCH FOR RESALE</b>	1 YOUNG BOARS	
1 FEEDER PIGS	2 YOUNG GILTS	
2 MARKET HOGS	7 MATURE BOARS	
	8 MATURE SOWS	
<b>0750 OTHER LIVESTOCK, PURCH</b>	<b>0950 OTHER LIVESTOCK, BREEDING</b>	
1 HORSES	1 HORSES	
2 DOGS	2 DOGS	
3 BISON	3 BISON	
4 GOATS	4 GOATS	
5 LLAMAS	5 LLAMAS	
<b>0760 GRAIN FUTURES</b>		
1 HEDGE ACCOUNT		
2 SPECULATIVE ACCOUNT		
3 OPTIONS		

### 8.3 Non-Farm Income

ATIG	DESCRIPTION
<b>0010</b>	<b>TAXABLE NON-FARM INCOME</b>
1	WAGES—W2
2	RENTAL INCOME
3	DIVIDENDS
4	ROYALTIES
5	SALES—BUSINESS
6	OIL—GAS—MINERAL LEASES
7	INTEREST
8	STOCKS—BONDS
9	FEES—IRA—MISCELLANEOUS

ATIG	DESCRIPTION
<b>0030</b>	<b>NONTAXABLE NON-FARM INCOME</b>
1	TRANSFERS INTO BUSINESS
2	SAVINGS
3	GIFTS
4	HEALTH INSURANCE REFUNDS
5	INHERITANCE
6	INCOME TAX REFUNDS
7	DISABILITY INCOME
8	SOCIAL SECURITY INCOME
9	NONTAXABLE CAPITAL RECEIPTS

### 8.4 Non-Farm Expense

ATIG	DESCRIPTION
<b>0040</b>	<b>ITEMIZED EXPENSE</b>
1	DOCTORS
2	MEDICINE—DRUGS
3	CHARITABLE CONTRIBUTIONS
4	HEALTH INSURANCE
5	NON-FARM INTEREST
6	FEDERAL INCOME TAX
7	STATE INCOME TAX
8	SOCIAL SECURITY—PROPERTY TAX
1	REAL ESTATE
2	SOCIAL SECURITY
3	TANGIBLE TAX
9	CHILD CARE
<b>0050</b>	<b>FAMILY LIVING EXPENSE</b>
1	FOOD & GROCERIES
2	CLOTHING
3	HOUSEHOLD OPERATION
4	RECREATION—PERSONAL SERVICES
5	EDUCATION
6	FURNITURE—HOUSEHOLD EQUIPM
7	GIFTS
8	LIFE INSURANCE
9	HOUSE UPKEEP—REPAIRS
<b>0070</b>	<b>UNDIVIDED UTILITIES</b>
1	PHONE
2	ELECTRICITY
3	NATURAL GAS
4	WATER
5	PROPANE
6	WASTE DISPOSAL
7	CELL PHONE
8	INTERNET

ATIG	DESCRIPTION
<b>0080</b>	<b>UNDIVIDED AUTO EXPENSES</b>
1	AUTO GAS & OIL
2	AUTO REPAIRS
3	AUTO TAXES & LICENSES
4	AUTO INSURANCE
5	AUTO LOAN INTEREST
<b>0090</b>	<b>NONDEDUCTIBLE NON-FARM EXPENSE</b>
1	TRANSFERS OUT OF BUSINESS
2	SAVINGS
3	GIFTS
4	NON-FARM EXPENSE
5	DAIRY CAPITAL RETAINED
6	NON-FARM EXPENSE
7	NON-FARM EXPENSE
8	NON-FARM EXPENSE
9	OTHER CAPITAL DISTRIBUTIONS
<b>0100</b>	<b>DEDUCTIBLE NON-FARM EXPENSE</b>
1	RENTAL REPAIRS
2	RENTAL INSURANCE
3	RENTAL TAXES
1	RENTAL TAX
2	ROYALTY TAX
4	RENTAL UTILITIES
5	SALES—BUSINESS
6	SECURITIES
7	NON-FARM EXPENSE
8	STOCKS—BONDS
9	RETIREMENT PLAN CONTRIBUTIONS

# HOMWORK ASSIGNMENT

Create a new company file (see section 3.1 on page 17):

Joe Farmer  
 12345 Gravel Road  
 Manhattan, KS 66502

Add the following asset accounts (see section 3.4 on page 28):

Very Big Bank – Farm Checking	12/31/16 Bal	\$2,411.19
Very Big Bank – Savings	12/31/16 Bal	\$5,000.00
Farmers Cooperative Association      Deferred Patronage	12/31/16 Bal	\$20,699.82

Add the following liability accounts (see section 3.5 on page 32):

Very Big Bank – Operating Loan	12/31/16 Bal	\$100,000.00
Very Big Bank – Tractor Loan	12/31/16 Bal	\$35,000.00

Enter the following transactions in the farm checking account:

1/2/17	Debit	Stop N Rob	\$50.07	page 62
		Gasoline	\$50.07	
1/3/17	Deposit	Farmers Coop Assoc	\$233,084.91	page 53
		Corn (see detail)	\$145,675.41	
		Soybeans (see detail)	\$88,909.50	
		Less cash	\$1,500.00	page 61
1/6/17	Deposit	Da Local Livestock Auction	\$39,159.43	page 54
		Steers (see detail)	\$39,909.43	
		Less cash	\$750.00	page 61
1/6/17	#1101	RWD NO 3	\$76.54	
		Water	\$76.54	
1/6/17	Debit	Verizon Wireless	\$243.51	
		Cell phone	\$243.51	
1/6/17	#1102	Rural Electric Coop	\$323.12	
		House electric	\$201.65	
		Shop electric	\$56.98	
		Bins eletric	\$64.49	
1/6/17	#1103	Stop N Rob	\$32.46	
		Gasoline	\$32.46	
1/6/17	#1104	Farmers Coop Assoc	\$6,149.13	
		Fuel	\$2,593.17	
		Repair	\$12.75	
		Corn herbicide	\$3,543.21	
1/7/17	Debit	Very Big Bank	\$102,192.87	page 79
		Operating loan principal	\$100,000.00	
		Operating loan interest	\$2,192.87	
1/7/17	Debit	Very Big Bank	\$18,689.92	
		Tractor loan principal	\$17,114.92	
		Tractor loan interest	\$1,575.00	

Enter the following bills (see section 5.3 on page 66):

1/8/17	Bill	Empty Belly Feed Supply	\$3,430.50	Due 1/20
		Feed	\$3,430.50	
1/8/17	Bill	The Chemical Supply Co.	\$25,000.00	Due 1/25
		Wheat chemical prepay	\$8,000.00	
		Wheat topdress prepay	\$17,000.00	
1/8/17	Bill	Fuel Deliverers LLC	\$2,260.84	Due 1/25
		Diesel	\$2,260.84	
1/8/17	Bill	McVet Services	\$1,500.00	Due 1/25
		Preg check & vaccinate	\$1,500.00	

Create the following invoice:

1/8/17	Invoice	Nosey Neighbor for trucking grain 398.25 miles @ \$2.00/mile	\$796.50	page 45
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Enter the following transactions in the farm checking account:

1/9/17	Debit	Stop N Rob	\$53.29	page 62
		Gasoline	\$45.30	
		Beef jerky	\$7.99	
1/11/17	Transfer	To Savings	\$100,000.00	page 39
1/12/17	Debit	Ralph's Farm & Ranch Supply	\$124.61	
		Supplies	\$120.62	
		Candy	\$3.99	
1/13/17	Debit	Stop N Rob	\$66.81	
		Gasoline	\$66.81	
1/15/17	Deposit	Farmers Coop Assoc	\$987.35	page 59
		See detail	\$987.35	
1/20/17	#1105	Pay Empty Belly Feed Supply bill		page 69
1/20/17	#1106	Pay The Chemical Supply Co. bill		
1/20/17	#1107	Pay Fuel Deliverers LLC bill		
1/20/17	#1108	Pay McVet Services bill		
1/22/17	Debit	Broken Hammer Hardware	\$44.33	page 62
		Repairs	\$44.33	
1/26/17	Debit	Stop N Rob	\$57.11	
		Gasoline	\$57.11	
1/28/17	#1109	County Treasurer	\$680.99	
		Ford pickup tag and taxes	\$680.99	
1/28/17	#1110	John Deere Dealer	\$10,000.00	page 77
		See Detail		page 32
		<i>You'll need to set up a new loan to complete this transaction</i>		
1/31/17		Receive invoice payment from Nosey Neighbor		page 47
2/3/17		Deposit payment from Nosey Neighbor		page 51

Reconcile the checking account (see section 6 on page 82)